

Shultz, Weinberger Say Palestinian Settlement Is Essential

By Don Oberdorfer

Washington Post Service

WASHINGTON — The Reagan administration's top foreign officials said Sunday that a long-range Palestinian settlement was essential for peace in the Middle East.

In separate television interviews on the second day of a new era of dispersal of Palestinian guerrillas, Secretary of State George F. Shultz and Defense Secretary Casper W. Weinberger spoke in sympathetic terms of the needs and requirements of the Palestinian people and suggested broadly that the United States was preparing to take new diplomatic steps in their behalf.

Both officials steered clear of endorsing an independent Palestinian nation on the Israeli-occupied West Bank and Gaza, which has been a central demand of the

Palestine Liberation Organization and many of its adherents among the 4 million Palestinians spread throughout the world.

Neither Mr. Shultz nor Mr. Weinberger explained how Palestinian objectives could be reconciled with the views of Prime Minister Menachem Begin's government in Israel.

"Sense of Dignity"

Appearing in his first broadcast interview since becoming secretary of state, Mr. Shultz said on NBC's "Meet the Press" that "the establishment of a situation where the Palestinian people can have some sense of dignity and control over their lives is very important and an essential part of any agreement."

Avoiding the term "self-determination" on the ground that it had come to stand for a Palestinian nation, Mr. Shultz said that "the main point is that the Palestinian

people have a voice in determining the conditions under which they're governed."

Mr. Shultz also said that his reading of United Nations Security Council Resolution 242, which was the underpinning of post-1967 Middle East peace efforts, including the Camp David agreements, requires Israel to withdraw from some or all of the West Bank and Gaza.

In answer to a follow-up question, he qualified this statement by calling his view "a matter of interpretation" that leaves much room for negotiation.

A negotiated settlement under which Israel would withdraw from large parts of the West Bank was contemplated by Israel's Labor governments. Mr. Begin has adamantly opposed this, contending that the area belongs to Israel.

Mr. Weinberger, speaking on "Face the Nation" on CBS, was more explicit than Mr. Shultz about the ideas on Middle East peace that the administration is formulating.

Series of Steps

He said U.S. officials were working on "a series of steps that we would certainly hope others would want to support" to lead to a regional settlement.

Asked if there could be peace without a Palestinian state, Mr. Weinberger replied, without specifics, that "the Palestinian people certainly have to have some kind of an understanding that they, too, are entitled to some of these normal attributes that other peoples in that part as well as other parts of the world have."

Mr. Shultz was asked if he had in mind "a homeland" for the

Palestinians on the West Bank and Gaza, a term used at times by President Jimmy Carter to the grave concern of the Israeli government.

"Well, certainly that is a place that many of them call home, and a place that they'll live, and they should have a participation in determining the conditions under which they live," Mr. Shultz replied.

Accords Rejected

The Camp David accords provided for the participation by Palestinians in the autonomy negotiations and for a Palestinian "self-governing authority" to exercise a degree of power in the five-year period of autonomy.

But the Palestinians rejected the Camp David accords and refused to participate in the negotiations. The eventual powers of the "self-

governing authority" are still at issue in Egyptian-Israeli talks.

Mr. Shultz said continued construction of Jewish settlements on the West Bank was "not constructive." At the same time, Mr. Shultz went out of his way to say that Israel was not responsible for all the problems of the region, expressing concern that the interchange with his interviewers might have left that impression.

Mr. Shultz said he expected to meet Foreign Minister Andrei A. Gromyko of the Soviet Union next month at the opening of the UN General Assembly.

He said he and Mr. Gromyko "quite possibly" would discuss a meeting between President Reagan and President Leonid I. Brezhnev, but he said such a conference should take place only if it promises "some identifiable, constructive results."

Soviet Union Orders Work Pace Doubled on Siberian Gas Pipeline

By John F. Burns

New York Times Service

MOSCOW — In a move underlining the priority attached by the Kremlin to the controversial gas pipeline to Western Europe as well as the problems facing construction crews, the Soviet government has ordered the pace of work on the project to be more than doubled.

An article in Pravda last week said the two ministries principally involved had concluded that crews clearing the route and laying the 2,800-mile (4,480-kilometer) pipe, as well as those building pumping stations and living quarters for operating personnel, would have to step up their tempo by "two or two and a half times" if the project is to be completed ahead of time, as ordered by the Kremlin.

The disclosure appeared to confirm other indications that the huge construction battalions assembled for the project are running into problems meeting the schedule.

The first gas is due to be delivered to a terminal point on the border between Czechoslovakia and West Germany in the spring of 1984.

President Reagan's move two months ago to delay the pipeline's completion by reinforcing a ban on the use of equipment made in the United States or made under license from U.S. companies jolted the Kremlin into a crash program.

The resulting decree from the Communist Party's Central Committee presented the Ministry of Construction of Petroleum and Gas Industry Enterprises, which is

building the line, and the Ministry of the Gas Industry, which will operate it, with a twofold problem.

They had to overcome the inherent labor and equipment problems that dog any Soviet undertaking of this scale, and they had to make contingency plans for the domestic manufacture of equipment that the Reagan administration is seeking to embargo, primarily high-speed turbine rotors for the compressor stations that will pump the gas from the Urengoi field.

Assessing progress has been difficult. Few Western Europeans have been allowed to see construction work in progress.

Soviet press coverage has been a mixture of grand assertions and equally dismal admissions of delays and mistakes.

Officials have asserted that more than 1,500 miles of plastic-covered pipe ordered from European contractors have already been delivered, that 625 miles of the pipe have already been welded together and half of it transported to the necessary sites, and that the pipe-laying was proceeding at the rate of seven kilometers, or about 4 miles, a day.

Shortages Reported

Other reports have suggested a less optimistic situation. Two weeks before Reagan extended the U.S. sanctions, a daily newspaper, Sovetskaya Rossiya, printed an article that mentioned a shortage of welding equipment and delays in deliveries of valves and other parts for the pumping stations.

The most ambitious Soviet assertions have been reserved for their attempts to build the equipment that the Reagan administration is seeking to embargo.

Those that have raised the largest doubts among European companies with contracts on the project said the bid to produce 25-megawatt turbines.

The technology for the rotor blades and other key parts is so advanced that the General Electric Co. of the United States has held what amounted to a worldwide monopoly.

Soviet Turbine "Superior"

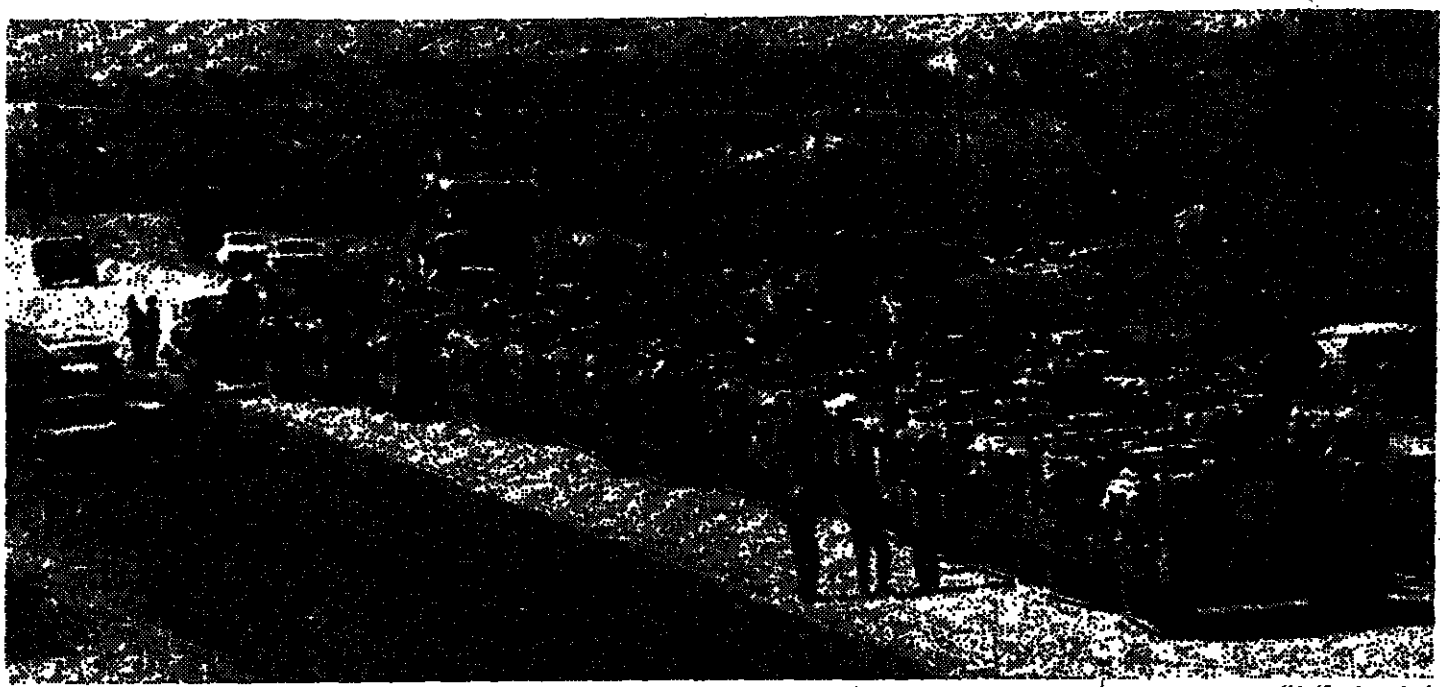
Yet, within three weeks of Washington's extension of the embargo in June, officials were declaring that Soviet versions of the turbine had been checked out on the test benches at the Nevsky Zavod complex in Leningrad and found to be "superior in performance" to the equipment made with GE technology.

The Russians have shown in the past that their command economy is capable of extraordinary achievements, and few engineers or diplomats doubt that the turbines can be built.

But reliability is another matter. Soviet experts have disclosed that the staple of the gas industry until now, domestically produced 10-megawatt units, require major overhauls every 800 hours, compared to more than 20,000 hours between overhauls for the GE units.

Speculation was stirred last month when the Kremlin announced the death "in tragic circumstances" of George A. Arendt, a deputy minister of the gas construction industry, who had direct responsibility for the development of the new turbines.

There was nothing in the announcement to link the death to the new program, but the vagueness of the phrasing led to suggestions that he might have died in a testing accident.



Armored personnel carriers line up before leaving Damour, south of Beirut, to carry reservists back to Israel.

Poll Finds Backing for Israel in U.S. Still Firm

By Barry Sussman

Washington Post Service

WASHINGTON — The American public's support of Israel — as distinct from some Israeli actions — remains virtually as strong now as in the months before Israel's invasion of Lebanon and bombing of Beirut, according to a Washington Post-ABC News poll.

Americans are sharply critical of the extent of the bombing, but they tend to believe the Israeli actions will result in a change for the better, not the worse, in the Middle East.

2 American Publics

At the same time, there is widespread concern that the war in Lebanon has damaged U.S. relations with the oil-producing Arab nations. There is a sharp decline in the number of people who regard Israel as a trusted ally of the United States, and an increase in those who feel that President Reagan is leaning too much in favor of Israel.

In effect, the new poll strongly suggests that many Americans are in a process of reappraising their thoughts about the relationship between the United States and Israel.

One of the poll's most striking findings, however, is the lack of attention from many Americans toward the crisis in the Middle East. There appear to be two American publics: a minority that

is following developments in Lebanon and a large majority that has little or no knowledge. Frequently their views are at sharp variance, with the better-informed group holding more pro-Israeli views.

Only 36 percent of the 913 persons interviewed in the nationwide telephone poll were able to name the two countries — Egypt and Israel — that participated in the Camp David peace talks. Among them, interest in Lebanon is fairly high, with only 18 percent saying they are not following events there closely.

But among the rest, despite more than two months of extensive media coverage, 6 in 10 said they have not followed the news in Lebanon at all closely. Only 5 percent said they have followed the events since the invasion very closely.

Key Question

The divergence in attitudes of these two publics makes interpretation of the "national mood" toward the Middle East extremely complex. For example, those who appear better informed tend to be optimistic about the agreement to remove the Palestine Liberation Organization from Lebanon, and a majority of them favor sending the contingent of 800 Marines to help in the evacuation.

But those who are less informed are pessimistic about the success of the PLO withdrawal, and they

strongly oppose the sending of U.S. troops.

On a key question — whether the Israeli invasion of Lebanon was justified or not — the division is particularly high. By 52 percent to 38 percent, the more knowledgeable group holds that it was justified. But by 43 percent to 28 percent, with 29 percent expressing no opinion, the less informed group said the invasion was not justified. For the two groups together, the split is almost even: 41 percent saying it was not justified, 37 percent saying it was.

Overall, when asked, "Are your sympathies more with Israel or more with the Arab nations?" 52 percent of those polled chose Israel, and 18 percent chose the Arab nations, almost exactly the split found in a Washington Post-ABC News poll in March, three months before the invasion of Lebanon.

On one important matter the two groups are in agreement, with virtually no difference in views. In answer to the question, "Would you say the Israeli invasion of Lebanon has helped or hurt the United States in its dealings with the oil-producing Arab nations, or what?" 10 percent said it had helped, 63 percent said it had hurt, 11 percent said it had made no difference, and 16 percent had no opinion.

Conducted by telephone last Tuesday, the poll contained a

number of questions that were repeats of ones in the March survey, making it possible to draw comparisons on changes in sentiment. Among the highlights are these:

• Americans now take a somewhat dimmer view of Menachem Begin, Israel's prime minister. In March, 39 percent said they had favorable feelings and 22 percent said they had unfavorable feelings toward Mr. Begin. The new poll showed 33 percent favorable, 32 percent unfavorable.

• In March, Mr. Reagan was perceived as leaning more to the Arab nations than to Israel. That sentiment has been reversed, so that among those who think the president is leaning too much in one direction or the other, almost twice as many said he is favoring Israel.

• Despite Yasser Arafat's announced intention of winning over American public opinion, there is a stronger sense now than before that the PLO does not really represent the views of most Palestinians. In the March survey, 21 percent said they felt the PLO represented a majority of Palestinians and 48 percent felt it did not. In the latest poll, the 21-percent figure remained the same but the number saying the PLO did not stand for most Palestinians climbed to 60 percent.

Vietnam Renews China Overtures

Reuters

BANGKOK — Vietnam renewed Monday its call for negotiations with China on a peace treaty, Radio Hanoi reported.

It quoted the official Communist Party daily Nhan Dan as saying, "Vietnam's sincere proposals, which were reiterated at the Indochinese foreign ministers' conference in July, still stand."

The newspaper called for contacts to be arranged in preparation for a resumption of negotiations.

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Third Group of Guerrillas Leaves

(Continued from Page 1)

men in jeeps checked the rest of the route for other bombs.

The guerrillas' departure by boat via Cyprus for Aden, capital of Southern Yemen at the southern tip of the Arabian Peninsula, brought to about 2,500 the number of PLO fighters evacuated from Beirut.

Portraits of Yasser Arafat, the leader of the Palestine Liberation Organization, were attached to the muzzles of the unloaded submachine guns of the departing guerrillas. They flashed the V sign and chanted "Palestine, Palestine, we are coming" in Arabic.

Women Turned Back

At least two women dressed in fatigues were turned back at the top of the gangway, put in Lebanese Army jeeps and driven back to West Beirut.

Most of those going to Aden were members of George Habash's Popular Front for the Liberation of Palestine, which heads the PLO's radical faction, and the Democratic Front for the Liberation of Palestine, a pro-Moscow group headed by Nayef Hawatmeh. The group also included 100 Bangladeshi and Pakistani volunteers.

Some guerrillas got off the trucks with black and white headcloths hiding their faces, apparently to avoid being photographed by Israeli photographers at nearby vantage points.

As the ship set sail, the guerrillas crowded on deck, many of them standing atop the vessel's lifeboats.

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Some had Palestinian flags draped around them.

As the evacuation continued, Mr. Arafat's chief security aide, Salah Khalaf, who uses the alias Abu Iyad, vowed an "underground" war against Israel throughout the world.

"Our underground fighters will penetrate Israel from all directions," he said. "They will soon be reaching the West Bank and Gaza Strip and make Begin pay dearly for the Beirut bloodbath."

Two-Week Evacuation

The dispersal of 7,000 to 7,500 PLO guerrillas, 1,500 Syrian soldiers and 2,500 to 3,000 Syrian-commanded Palestinians from West Beirut to Arab countries throughout the Middle East is scheduled to take 14 days.

In Rome, an Italian Defense Ministry spokesman said part of Italy's contingent to the multinational force in Lebanon might be delayed because of an engine breakdown in one of its two troopships. The Grado, flagship of the Italian task force, was sitting at less than half speed while its sister ship Caorle was steaming ahead for Beirut, he said.

The Caorle, carrying half the 530-man contingent of infantry,

Emirates Official Is Shot in Kuwait

Reuters

KUWAIT — A senior United Arab Emirates diplomat was shot and wounded in his office Monday by a Jordanian posing as a journalist, Kuwaiti officials said.

Mohammed Ibrahim al-Jowaid, the charge d'affaires, was shot in the right jaw and the palms of both hands but was not in serious condition, the officials said.

Police said the attacker, who was being questioned, carried a Jordanian passport. They did not give his name or motives. The gunman posed as a journalist working for a Kuwaiti weekly, and had been interviewing Mr. Jowaid alone when he fired three shots, the officials said. He was overpowered by embassy officials and guards.

Gemayel Is Selected to Lead Lebanon

(Continued from Page 1)

in weapons since the outbreak of the civil war in 1975. His militia has worked closely with Israel, but Mr. Gemayel himself has been careful not to identify publicly with Israel.

The Voice of Arab Lebanon radio station, which speaks for the predominantly Sunni Muslim Maronite militia in West Beirut, said it was a "day of shame."

"A military government was appointed at Israel's orders for Lebanon," it said.

Under an unwritten agreement since Lebanon won independence from France in 1939, the half-Moslem, half-Christian nation has a Maronite Christian president, a Sunni Muslim premier and a Shiite Muslim speaker of the Chamber of Deputies. There are 51 Christians and 41 Moslems in the chamber.

Because of the Moslem boycott, it took three hours of behind-the-scenes politicking to assemble a quorum of 62 members, and Mr. Gemayel fell four votes short of the two-thirds majority required on the first ballot.

After winning the simple majority allowed in subsequent voting, he was officially declared president-elect by Speaker Kamel Assad.

Lebanese elections are traditionally marked by violence, and before this one began a rocket exploded about 100 yards (91 meters) from the military academy. There were no injuries in the attack, which took place about two hours before the session, and no indication of who had fired the rocket.

[Shortly after the election, the West Beirut homes of two members of parliament — Fuad Lahoud, a Maronite Christian, and Ousan Dana, a Moslem — were blasted by anti-tank rockets, witnesses told Reuters. It was not immediately known who was responsible or whether there were any casualties.]

U.S.-Born Priest Is Made a Bishop in Greek Church

New York Times Service

NEW YORK — The Rev. Athanasios Anastasi became the 15th bishop of the Greek Orthodox Archdiocese of North and South America on Sunday at a ceremony at the Cathedral of the Holy Trinity.

The Chicago-born priest, pastor of St. Nicholas Church in Flushing, in the New York borough of Queens, will be known as Bishop Athanasios. He is one of three bishops consecrated recently as auxiliaries to Archbishop Iakovos, primate of the archdiocese.

Bishop Athanasios, 40, swore his allegiance to the patriarch before a congregation of about 900 people, among them Gov. Hugh L. Carey of New York and his wife, Evangeline Goulet-Carey.

With the ordination of Bishop Athanasios, four of the 15 bishops of the Greek Orthodox Archdiocese are American-born, reflecting the fact that the church in the United States has a growing number of second- and third-generation immigrants. The Greek Orthodox Church has more than 3 million members in the United States.

WORLD BRIEFS

New Peace Initiative Is Seen for Gulf

NIAMEY, Niger — The secretary-general of the Islamic Conference, Habib Chatti, said Monday he had discussed with Iraq and Iran the possibility of a new initiative aimed at ending their 23-month-old war.

He said he met separately Sunday with delegates from the two countries just before the conference's annual meeting of foreign ministers opened here. A date for the initiative to start may be set soon, he said.

The Iranian delegation walked out of the opening meeting Sunday when Foreign Minister Sadouk Hammadi of Iraq rose to speak, but returned after he had finished. Each side blamed the other for starting the war. The organization's newly elected president, Daouda Diallo, foreign minister of Niger, put a temporary halt to the dispute by postponing Iraq's response to the Iranian statement.

Officials from 40 delegations were to go into committee sessions Monday to discuss the Gulf war, the Soviet presence in Afghanistan and the Lebanon crisis.

Ghotbzadeh Verdict Weighed in Iran

LONDON — A military court in Iran has adjourned to consider its verdict on former Foreign Minister Sadegh Ghotbzadeh, who faces a possible death sentence on charges of leading a plot to overthrow Iran's fundamentalist Islamic government, the Iranian news agency reported Monday.

According to IRNA, Mohammed Rey Shahr, a clergyman serving as the investigating judge, said Sunday that evidence showed that Mr. Ghotbzadeh and his associates planned to kill the revolutionary leader, Ayatollah Ruhollah Khomeini. Mr. Ghotbzadeh, 47, a former aide of the ayatollah, told the court he plotted with a monarchist group to topple the regime, the agency said. He also admitted spending \$40 million to carry out the plot with the help of military officers, it added.

Sources said Mr. Ghotbzadeh had helped the court track down others involved in the alleged plot. Last week, they said 70 officers had been executed for their part in the purported conspiracy.

U.S. Court Sentences Spy to 15 Years

AUGUSTA, Ga. — Otto Adilla Gilbert, convicted as a spy, was sentenced to 15 years in prison Monday for trying to buy U.S. military secrets.

Mr. Gilbert, 50, pleaded guilty July 1 to one count of conspiring to receive and transmit classified military documents. In exchange for his plea, three other counts of espionage were dismissed. He had been scheduled to go to trial July 6. U.S. District Judge Dudley Bowen sentenced Mr. Gilbert.

Mr. Gilbert, a native Hungarian who immigrated to the United States in 1957 and became a naturalized citizen in 1964, was arrested April 17 in downtown Augusta by the FBI after he paid \$4,000 an "Army warrant officer from Fort Gordon for classified documents." The warrant officer was cooperating with the government.

Macao Policeman Arrested in China

MACAO — Chinese border guards arrested a Macao policeman who crossed into China on Monday in pursuit of an illegal immigrant.

The policeman was on border patrol when he saw a group of Chinese trying to enter Macao, authorities said. While other border patrolmen detained the group, the policeman chased one person who fled back across the border. The policeman was not approached by Chinese guards until he fired what were apparently warning shots. The guards arrested him and the immigrant.

It was the first time in 30 years that a policeman from Macao was detained on Chinese territory. Macao authorities said they were trying to get the policeman released.

Woman Joins in Salyut Experiments

MOSCOW — Svetlana Savitskaya and her four male colleagues were reportedly "feeling well and in a good mood" Monday as they began their third day of experiments aboard the Salyut-7 space station.

Their program included a study of the Earth's atmosphere, monitoring of radiation from within and outside the galaxy, and space navigation drills. Tass said. They were also conducting medical and biological tests on Miss Savitskaya, 34, to determine how well women adapt to space.

Miss Savitskaya was launched into orbit Thursday with Leonid Popov, the flight commander, and Alexander Serebrov, the flight engineer. On Friday, they docked their Soyuz T-7 space capsule with Salyut-7, joining Col. Anatoly Berezovoy and Valentin Lebedev, who have been aboard the space station since May 14.

Compiled From Agency Dispatches

Poles Protest 'Slander' On Western Broadcasts

The Associated Press

WARSAW — Angered by recent protests and apparently fearing more, Poland's martial law authorities said Monday that they had demanded a halt to Western radio "slander" and warned supporters of the suspended Solidarity trade union that any new demonstrations would receive a "firm" response.

The Foreign Ministry summoned the heads of four Western embassies to protest "propaganda subversion against Poland," the official PAP press agency reported. It did not say when the meetings took place or who was involved.

However, officials of the U.S. Embassy said the deputy chief of mission had been called to the Foreign Ministry to receive the protest last Friday, and British sources also said their charge d'affaires had been summoned.

Officials of the French and West German Embassies, the other two countries named by PAP, could not be reached for comment.

"We've been getting it hot and heavy since last Dec. 15," the date martial law was imposed, a U.S. Embassy official said, in an apparent effort to downplay the diplomatic protests.

The state-run media has grown increasingly harsh in its attacks on foreign radio broadcasts that are heard here in Polish.

The diplomatic protests appear

Swiss Trace and Block Millions in Calvi Funds

United Press International

LUGANO, Switzerland — Swiss authorities have traced and blocked millions of dollars transferred to Switzerland by Roberto Calvi, the Banco Ambrosiano president who committed suicide in London, justice officials said Monday.

About \$1.2 billion is unaccounted for in the collapse of Banco Ambrosiano, which was put into forced liquidation on Aug. 7.

In U.S. Senate, Republicans' 'New Right' Gives Way to Pragmatic 'Old Center'

By Helen Dewar
Washington Post Service

WASHINGTON — A year and a half ago, when "New Right" Republicans packed the Senate's back benches and men such as Strom Thurmond of South Carolina, Orrin G. Hatch of Utah, and Jesse Helms of North Carolina took over important committee chairmanships, the Senate looked as though it were changing into a chamber of superconservatism.

But things have not turned out that way.

"When you're trying to change the status quo and the status quo is entrenched, it's difficult," said Sen. John P. East, Republican of North Carolina, one of the New Right freshmen and a Helms protégé. "I don't think anyone had any illusions that it would be easy."

"They were preoccupied with

purifying the doctrine," said Sen. Mark O. Hatfield of Oregon, a Republican moderate.

As the 97th Congress nears an end, it is not the New Right of the Republican Party but rather its "Old Center," guided more by pragmatism than ideology, that calls the shots in the Senate.

Moderate conservatives such as Howard H. Baker Jr. of Tennessee, the majority leader, Robert J. Dole of Kansas, the Finance Committee chairman, and Pete V. Domenici of New Mexico, the Budget Committee chairman, are the dominant Republican forces.

Working in cooperation with the administration, if not always in lockstep, they have swept almost everything else aside to consider President Reagan's economic program. And they have succeeded in large part, sometimes to the extent of forcing the administration to

temper some of its more adventurous economic initiatives.

This had the effect, intended or not, of pushing such New Right issues as abortion and school prayer off to the side, where some of their post-election momentum of 1980 seems to have been lost.

Strong anti-busing legislation was passed by the Senate but only after a 10-month struggle that took its toll in members' patience, and the measure has virtually sunk out of sight in the House.

Abortion and prayer are now before the Senate, but they are mired in a parliamentary quagmire.

The administration's proposal for tuition tax credits for children in private schools, pushed by many conservatives, is in trouble. Capital punishment is unlikely to be taken up before year's end. Some of the right's more novel ideas, like deny-

ing crime-victim aid to rape victims who have abortions as a result, have been quietly sidelined.

A look back at the post-1980 committee records of Sens. Thurmond, Hatch and Helms is instructive.

Sen. Thurmond may control the Judiciary Committee, but the major legislation from his committee that has passed Congress was an extension of the Voting Rights Act, strengthened even beyond its existing provisions.

Although Sen. Hatch is chairman of the Labor and Human Resources Committee, the balance of power on many issues rests with more liberal Republicans, Sens. Lowell C. Weicker Jr. of Connecticut and Robert T. Stafford of Vermont, who tend to vote with the Democrats in budget showdowns over spending for education and other domestic programs.

Sen. Helms heads the Agriculture Committee, where he was in a commanding position to attack food stamps. But Sen. Dole, as chairman of the nutrition subcommittee, was able to limit cuts in food-stamp funding to far less than Sen. Helms wanted.

All three committee chairmen, principally Sen. Hatch, played a role in Senate passage of the constitutional amendment on balanced budgets, another pet project of the conservatives. But, as an election-year antidote to the political poison of high deficits, it had support stretching far beyond the right. And the amendment faces seemingly insurmountable problems in the House.

Perhaps even more illustrative of where real power in the Senate rests was the scene on the Senate floor late Thursday.

In the Senate of 18 months ago,

voting against abortion would have seemed a far safer bet than voting to increase taxes. Yet Sen. Helms, who had to wait a year and a half to get his anti-abortion crusade onto the Senate floor, was fighting a filibuster against the measure for the fourth day when he had to stand aside for passage of the tax increase bill largely drafted by Sen. Dole. Sen. Helms voted against the tax bill and now faces resumption of the filibuster when Congress comes back to town next month.

By his tactics, including backing out of an agreement to limit debate on the anti-abortion measure, Sen. Helms has angered some of his colleagues to the point that they say personal frustrations could influence crucial votes on the issue.

But Sen. Helms has always had more strength outside the Senate than in it. He said Friday that the grass-roots conservative lobby had marshaled its forces to lobby senators on abortion during the two-and-a-half-week recess.

There are other explanations for why the New Right did not live up to its advance billing.

Causes vs. Craftsmanship

One, cited by Sen. Hatfield, was that its power was overblown from the start. "It was largely an image that had been falsely created," he said.

A more frequently mentioned explanation is that senators like Sen. Helms have built a career upon causes, not experience in legislative craftsmanship.

Moreover, some say, their ideological intensity makes compromise difficult and tends to lead to schisms, as happened when anti-abortion forces split over what specific legislation to support.

American Civil Liberties Union, now about 275,000, has grown by about 75,000 since 1980, more than at any other time.

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U.S. Considered Plan To Lend France A-Arms Before Dien Bien Phu

WASHINGTON — A National Security Council group considered lending atomic weapons to France to use in its war in Vietnam in 1954, years before U.S. troops entered the conflict, State Department documents show.

It was one of several atomic options discussed at the highest level of the U.S. government long before the United States made major troop commitments to the conflict in the early 1960s, according to the documents.

President Eisenhower, wary of the perception that the United States would "replace French colonialism with American colonialism," rejected any U.S. involvement in the conflict at that time, saying he would first have to put the idea of a "D-day invasion" to Congress and the allies.

There was no evidence that Eisenhower was presented with any proposal for the use of atomic weapons in Vietnam.

An aide to Secretary of State John Foster Dulles dismissed the suggestion, by Adm. Arthur Radford, the chairman of the Joint Chiefs of Staff, that the French use the weapons, the records show.

The developments are chronicled in previously unpublished memoranda included in "Foreign Relations of the United States, 1952-54, Volume XIII." The documents were released Sunday.

One of the options, advocated by Adm. Radford, was to use three atomic weapons to aid the French forces, which eventually lost its war in Vietnam to the forces of Ho Chi Minh.

Adm. Radford proposed aid to the French "to assist in the defense of Dien Bien Phu," where the French later suffered major defeat. In a memo, he said other members of the joint chiefs "unanimously recommended against such an offer" of aid. But the admiral had another idea for helping the French.

On April 7, 1954, he sent an assistant, Capt. George Anderson, to see an aide of Secretary Dulles, Douglas MacArthur 2d.

Later the same day, Mr. MacArthur wrote Mr. Dulles: "The 'advance study group' in the Pentagon has been making an estimate of whether atomic weapons could be used to clean up the Vietnam in the Dien Bien Phu area. It has reached the conclusion that three tactical A-weapons properly employed, could be sufficient to smash the Vietnamese effort there."

Mr. MacArthur wrote that his "frank guess" was that the French government would reject such an offer. And he said that if it became known the United States was considering using the atomic bomb, there would be a "great hue and cry." But the idea was not dead.

The National Security Council's planning board also considered the idea of the use of "new weapons" on April 30, 1954, notes from the meeting show.

The notes contained the questions: "Would one 'new weapon' dropped on Vietnamese troop concentrations in reserve be decisive.... Could French airman make a proper drop? Would the French government dare take step?"

Kidnapping of Abortion Doctor Shocks an Illinois Town

By Nathaniel Sheppard Jr.
New York Times Service

GRANITE CITY, Ill. — In a town that has made news for the most part because of its dependence on the declining steel industry, the widely reported kidnapping of the director of a local abortion clinic and his wife has come as something of a shock.

In this economically depressed city of 34,000, values are conservative, people are outspoken, but law and order are revered.

"People here are quick to say what is on their minds about things they don't like, but most don't go for breaking the law," Roland Boykins said as he filled his car tank at a downtown service station.

"While the majority of people don't condone the abortion clinic, they tolerate it," Mayor Paul Schuler said in discussing the abduction of the center's operator, Dr. Hector Zavallos, 53, and his wife, Rosalie Jean, 45. "People were very shocked at his disappearance."

The Zavalloses were released unharmed a short distance from their home Friday morning, a week after they were said to have been kidnapped by a radical anti-abortion group calling itself the Army of God.

A letter from the group, found by the authorities, demanded that President Reagan denounce abortion as a condition of the couple's release, but it mentioned no cash ransom. Neither the FBI nor the Zavalloses would give details of the couple's week in captivity.

The center that Dr. Zavallos directs, the Hope Clinic for Women Ltd., has been the object of a dozen protests over the last three years. Some of the demonstrations were so disorderly that protesters were arrested.



Hector and Rosalie Jean Zavallos outside their Illinois home after their release by kidnappers.

Despite the opposition to the clinic, the kidnapping shocked the sensibilities of this town, Mayor Schuler and others said. "Hector has been here 15 to 20 years and is well-liked and respected," said the mayor, who is a pharmacist. "He

has delivered a lot of babies in Granite City."

Also disturbed by the kidnapping were Norman and Raymond Ruf, who live in a weathered neighborhood about two blocks

from the clinic. Dr. Zavallos is Mrs. Ruf's gynecologist.

"I have no feeling about abortion one way or the other," said Mr. Ruf, a railroad switchman who has lived in the neighborhood for 21 years. "Taking sides on

whether you should or shouldn't have abortions is one thing, but I don't buy this kidnapping at all. Nobody likes that sort of thing around here."

He added, "This is a poor neighborhood, and a lot of the people in it use the clinic because of the federal aid available there."

Granite City, a quiet town about 20 miles (32 kilometers) northeast of St. Louis, keeps to itself. Yet the city has been the focus of articles over the last two years detailing the effects of the decline in the economy because of its dependence on steel.

At the turn of the century, Granite City had 13 major industries employing about 16,000 people, according to Alan Richardson, executive director of the Chamber of Commerce. Today there are three major employers employing about 7,000 people — when times are good. These businesses are operating at about half of capacity, Mr. Richardson said.

Uta Landry, executive director of the National Abortion Federation in Washington, said the Zavallos kidnapping had stirred a lot of panic among abortion clinics and that "they are all wondering who will be next." She said her agency had sent telegrams to its 240 members urging them to prepare for an increase in anti-abortion activities in the coming months.

She said personnel at some clinics had discussed the possibility of using guards and guns to protect themselves and that a clinic in Indiana had installed bulletproof glass.

U.K. Energy Use Off 3.5%

The Associated Press

LONDON — Energy consumption in Britain fell 3.5 percent last year from the year before, the Department of Energy said Monday.

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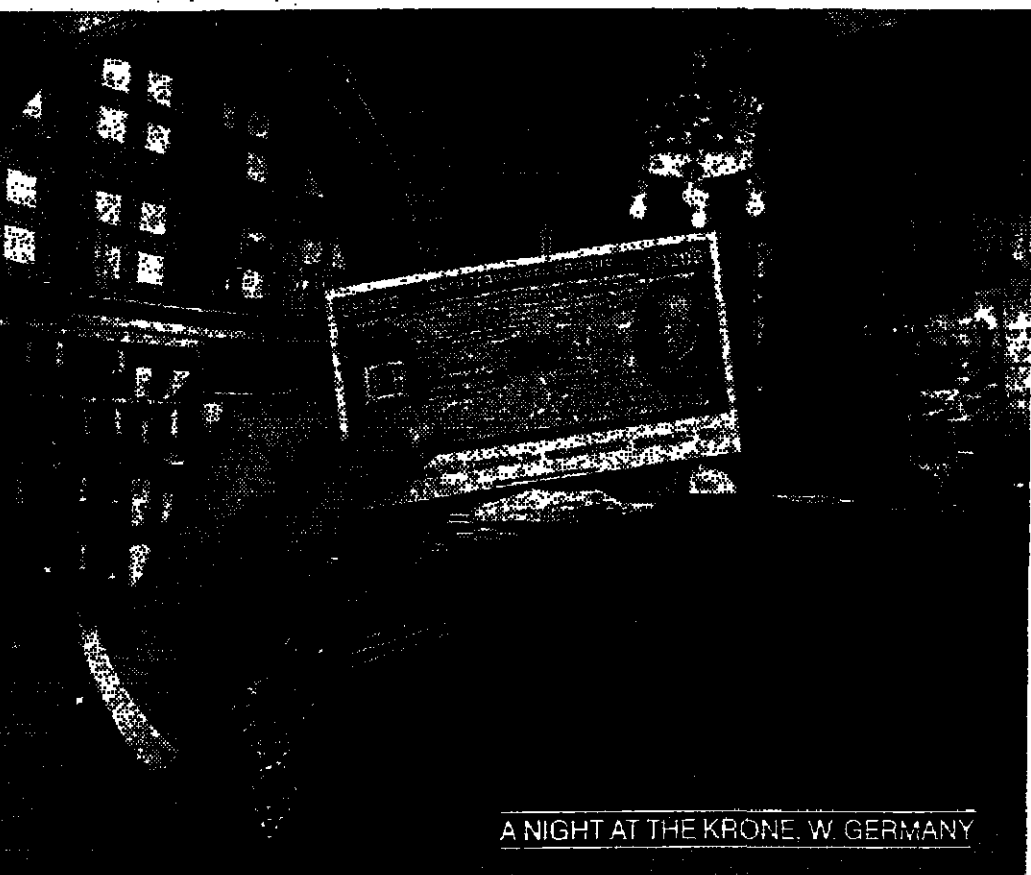
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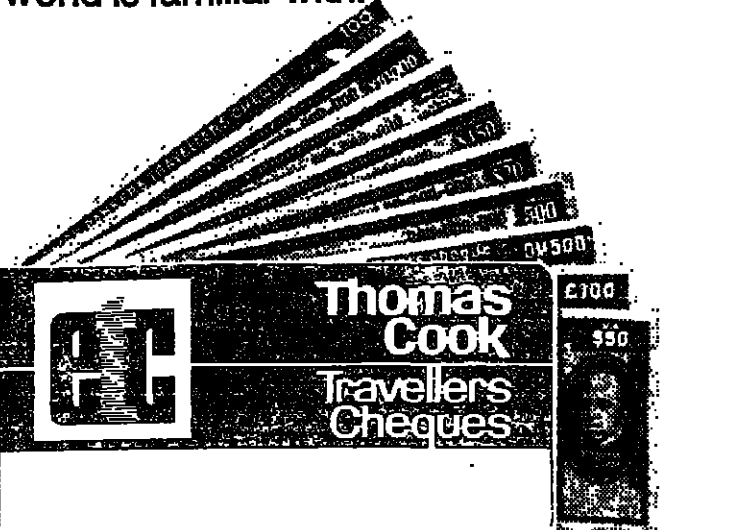
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Herald Tribune

Published With The New York Times and The Washington Post

The Panic in Mexico

From THE WASHINGTON POST

Mexico's money troubles have turned into a three-alarm international emergency. The United States, necessarily, has extended first aid in the form of cash against future oil deliveries. Some of the commercial banks in the United States and in Europe are postponing payments on their loans. That is to try to prevent the present panic from spiraling into financial collapse. The second stage of help will have to be larger loans from the International Monetary Fund with, as usual, conditions attached. The political repercussions will be severe in a country that until very recently was swept up in the boundless optimism of sudden oil wealth.

Oil and gas wealth, and its recent history in the countries that it endowed in the 1970s, bring to mind the old fairy tales about people who found pots of gold. Those stories generally end with warnings about the sad effects of too much money, too fast. Two of the greatest beneficiaries, Iran and Iraq, are now at war with each other as their standards of living slide rapidly backward. The Dutch used their North Sea gas discoveries for huge increases in social benefits and wages. The result today is the highest unemployment in Europe and a budget deficit that is spectacular by even American standards. At the other end of the income scale, the recent decline in oil prices and sales has knocked Nigeria's ambitious development plans askew. Meanwhile, with the plan's emphasis on industrial expansion, Nigeria's ability to feed its own people has actually declined.

Mexico's experience deserves the closest at-

tention by anyone who is trying to follow the strange effects of the oil revolution on the world's political economy. Mexico at first intended to keep its oil revenues at a moderate level set by its ability to reinvest the money productively in development.

But those good intentions got swamped in the sudden rush of new wealth. It suddenly seemed that the sky was the limit and, where oil revenues did not quite meet the ballooning demands, the big banks, mostly American, were happy to offer loans. Although Mexico's oil-fed export earnings soared through the 1970s, by the end of the decade, the payments on foreign debts took a higher share of those earnings than at the beginning. Every calculation was based on an assumption of continued rapid increase.

With the modest but unexpected decline in oil prices beginning last year, however, the whole process began to run in reverse. As oil revenues dropped, the foreign banks began to get nervous and to cut off new lending. The shortage of foreign exchange has now touched off a feverish run on the peso. The remedy is going to require a retreat from social benefits already extended, let alone those promised for the future.

If the recent sag in the oil market has thrown Mexico into great jeopardy, it has also created a great test of American leadership in helping a neighbor return to stability. Americans — because of oil, because of the bank loans, above all because of proximity — have an interest in Mexican prosperity that is second only to that of Mexicans themselves.

Thinking Big on Budget

From THE NEW YORK TIMES

Washington's politicians, off for a fortnight's vacation, may be relieved that the struggle over the tax bill is behind them. There is not much reason for relief. For despite the agony of the tax bill debate, it did not reveal the full dimensions of the federal budget mess. The problem of cleaning it up has barely been addressed.

The tax bill and all the spending bills moving through Congress this year are based on expectation of a \$104-billion deficit next year, an \$84-billion deficit in the year following and a \$60-billion deficit in fiscal 1985. Yet meanwhile, the administration's official estimate for next year has already risen to \$115 billion. Its unpublished estimate is said to be closer to \$140 billion. The published estimate of the Congressional Budget Office is even higher, and a little noticed analysis by the Federal Reserve Bank of New York puts it higher yet.

What is more, the CBO and the New York Fed both see the deficit rising after fiscal 1983. Three years from now, the Fed says, the deficit could be as high as \$187 billion! And every one of these estimates was based on the economic outlook a few months ago, which was better than it is now.

It all adds up to a shaky base for economic policy. With the tax bill out of the way, the Reagan administration owes Congress and the public a less wishful projection of where the economy is headed. If they really mean to

reduce the deficit, the president and Congress have to do some more hard swallowing.

The country can no longer afford the president's belief that he can simultaneously reduce inflation, stimulate economic growth, lower interest rates, cut down the waste and sprawl in the federal government, bolster national defense, ease the tax burden and balance the budget. At long last, he needs to set priorities as the administration prepares for next year's budget message.

There is no obvious solution to the problem, but neither is there any dearth of suggestions for how to approach it. Sen. Ernest Hollings of South Carolina, a thoughtful leader among Democrats on budget matters, has recently proposed a package of measures that he says would pare \$65 billion from the prospective deficit in 1984 and more than \$100 billion in 1985.

It includes a one-year freeze on cost-of-living allowances in federal salaries and most benefit programs and a cap on increases thereafter, a sharp cutback in the growth of defense spending, elimination of next year's scheduled cut in personal income taxes and repeal of the cost-of-living indexing established by last year's tax law.

Whatever one thinks of the specifics of the proposals, Sen. Hollings deserves credit for thinking big. By now that is the only realistic way to think about the budget.

Other Editorial Opinion

Mitterrand on Terrorism

(President Mitterrand has) decided to adopt the highest possible profile in confronting the terrorists [responsible for recent attacks in France]. He has firmly deposited the prestige and credibility of the presidency, and his presidency, in the scales against it.

This looks remarkably like leading from the front, as well as a nicely judged stance halfway between complacency and panic. Rare indeed is the politician who is both calm and bold, and we hope his nerve holds.

Something else he said during his interview (on television last Tuesday) is distinctly less reassuring, however. He repeatedly associated France's present terrorist problem with her role as a principal Middle East peace-maker.

This direct equation is too simple and too narrow. It certainly accounts for the motives of Action Directe and various Arab extremists on French soil, but it does not cover Armenian nationalists, Spanish Basque separatists or Italian Red Brigades terrorists who flourish in France. Such people have abused France's almost unbridled right of political asylum, which remains in need of redrafting, for the sake of her neighbors as much as her own.

— The Guardian (London).

Events in Lebanon

The perseverance of U.S. envoy Philip Habib has paid off. The phased withdrawal of Palestinian fighters from Beirut has begun. Though only a half-measure, the evacuation plan has brought an end to the mas-

acre of innocents. Citizens of Beirut can now pick up the shattered pieces of their lives and begin anew.

As the dust settles and the victors and the vanquished count their costs, the question in most minds is: What next for the PLO?

Will Israel be satiated after piercing the PLO heart in Lebanon or will its paranoia move it to strike out at PLO bases through the Arab heartland?

With Egypt and Jordan neutralized and Lebanon subjugated, only one border state remains a bastion of struggle against Israel: Syria.

Will the Jewish state now turn towards the Bekaa Valley where Damascus maintains a 30,000-strong Arab deterrent force? Will the ugly rationalizations about the devastation of Beirut be employed again to conduct a campaign against Palestinian sanctuaries in Syria?

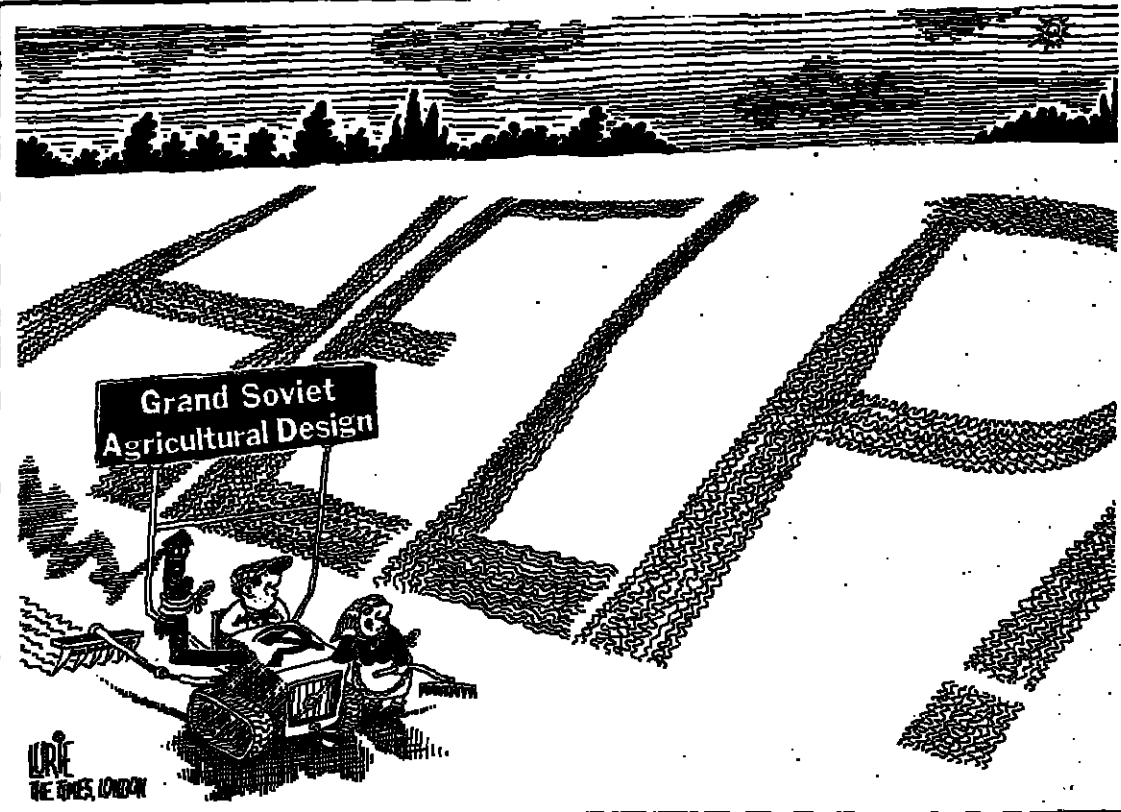
The tragedy of Beirut may be over but the suffering of the Palestinians remains. Military defeat may simply stoke the furnace of seething discontent.

Renewed guerrilla warfare can be expected along with a political campaign to bring home the central reality: The Palestinians have a worthy cause to die for. What they need is something to live for.

— New Straits Times (Kuala Lumpur).

The PLO may be finished; the Palestinians most certainly are not. Israel has conducted yet another war successfully but it has yet to formulate and conduct a peaceful and sensible policy towards the Palestinians and its neighbors.

— The Daily Express (London).



Gemayel and the Future of Lebanon

By Bashir Gemayel

The writer was elected president of Lebanon Monday. He wrote this commentary for The Washington Post before the vote.

BEIRUT — Much of the press seems to see Lebanon in terms of its parts, like a permanently divided political entity. It is certainly true that the Lebanese people is formed of diverse social and cultural stocks. But it is not true that we are internally divided.

Indeed, despite divisions imposed by the occupation of Lebanon by three foreign forces, in many ways the people of Lebanon are united as never before — united in our determination to recover and safeguard our sovereignty, united in our opposition to the use of violence in our country to resolve others' problems, united in our demand to return to our own historic traditions of democracy, pluralism and moderation.

What many outside Lebanon do not appreciate is how much the Lebanese — all Lebanese in all religious, ethnic, social and economic groups — have learned from more than seven tragic years of violence. What we learned first and foremost was that we had taken Lebanon and its way of life for granted. All of us know today that we can no longer allow others to drag us into their quarrels. And we know, too, that we ourselves must take conscious, tangible and effective steps to restore the unique experience that is Lebanon's historic way of life.

Lebanon is a country of minorities. No single group can claim majority status for itself. Yet, the next president of Lebanon will not be a minority president, because all the many groups that make up our small but culturally rich country have contributed to its unique traditions, treasure the Lebanese way of life and Lebanon. This nation of minorities has, as few other countries in the developing world have, a majority political culture.

My program will recognize that highest priority must be given to the healing of wounds caused by the painful years of conflict. At the same time, one of the most effective ways of healing wounds over the long term is to revitalize the institutions of Lebanese democracy.

We must ensure the continued security and liberty for the diverse cultural communities of Lebanon, defining equitably the rights and the obligations of citizens based on the unique characteristics of our country, our values and our customs. The people of Lebanon have always known, and the history of our country has been founded on the belief that a thriving democracy is the best way for each community and, in fact, each individual to realize his potential and pursue his dreams.

At the same time, any Lebanese president must recognize that much of our national territory is still occupied by Israel, Syria and the PLO. Certainly, it is imperative that this occupation, the legacy of earlier attempts to partition Lebanon, must be terminated.

If Syria considers the Bekaa Valley in eastern Lebanon a Syrian security zone, then of course Israel will treat the south as an Israeli security zone. The Bekaa is at once on the frontiers of both countries. Should this valley be included in the security strategy of either, it will in fact become less secure for both. Re-Lebanonization of the north, the east and the south of Lebanon is the best guarantee for all parties and is certainly the only principle congruent with the unity and sovereignty of Lebanon.

As long as Lebanon is not stabilized, its land not completely liberated from foreign occupiers, its territory still used by some to threaten others, a regional settlement will remain impossible to achieve. We assert that a strong,

independent and prosperous Lebanon is undoubtedly the best security guarantee for all.

As our internal society must return to its traditional pluralism, so our regional relations must also assume a character befitting relations between sovereign countries. For too long have the neighbors of Lebanon and the other regional powers treated our country as a playground for their games of intrigue and violence. We look forward to a new era now in which we will treat with other countries in the region as our friends and neighbors — but on the firm basis of sovereign equality.

Lebanon's international role must certainly be reasserted. We have always seen ourselves as a cultural and commercial crossroads of East and West. We value the Western traditions of democracy and free enterprise, we reject totalitarian ideologies wherever promulgated. At the same time we also value the cultural traditions and holism of the East, and try not to lose sight of the interrelationship between values and actions.

The West in general, and the United States (as the leader of the free world) in particular, have significant interests in the Middle East. At the same time, the Middle East has a great interest in a regional American presence, and in the maintenance of cooperative and interdependent relations with the United States. Lebanon used to maintain an active role as a friend and interlocutor of both the Arab moderates, on the one hand, and the West, on the other. Following its total liberation, Lebanon should be prepared to resume that role.

Therefore, the new Lebanon, given another chance to pursue its destiny by the admirable and tireless efforts of Ambassador Philip Habib and the United States as a whole, must follow several fundamental principles in the days ahead:

First: Any solution to the Lebanese crisis must be based on recovery of Lebanese sovereignty over the entirety of the national territory and the restoration to the Lebanese state of its full powers.

Second: Israeli and Syrian forces must return to their own countries. Within the framework of Lebanese sovereignty there must be a Lebanese army strong enough to preserve the territorial integrity of our nation and thereby reassure and undergird the security of Israel and Syria.

Third: The hundreds of thousands of Palestinians remaining in Lebanon must submit to and respect the authority of the Lebanese government in Lebanon. There must be a transformation of Lebanese-Palestinian relations that reflects both the historic relationship of the two peoples and the transitory character of the Palestinian presence in Lebanon.

Fourth, most important, and most widely recognized, the people of Lebanon must agree that force has no place in the inevitable disagreements that arise within any country. Lebanese pluralism, which has tended in its self-assuredness to overlook occasional resort to violence, must evolve to place a new emphasis on the peaceful settlement of disputes.

At the same time, the character of that pluralism must remain based upon the unity of Lebanon; the uniqueness of the Lebanese experience; and liberty, security, and justice for all Lebanese within a democratic government that guarantees all citizens' basic freedom.

Time Is Short for Africa on Food

By Jonathan Power

LONDON — Africa is running downhill. Per capita income in the 1970s declined in 15 African countries. In another 19 it grew at less than 1 percent. Food production declined by 7 percent per person in the 1960s and over double that in the '70s. Early estimates suggest the 1980s will see a further downward acceleration.

John Updike's vision in his novel "The Cow" of an Africa pulverized by poverty conjures up ghosts of the future: "We saw strange sights, we saw naked women climbing mimosa trees to crop the twig-tips for cooking, we saw children gathering the wild nettles called cran-cran, we saw men attacking anthills to recover the crumbs of grain that had been stored there. Even the most brackish water holes had been drunk dry and the trees, once green, reduced to stumps stripped of bark by savage hunger."

Africa already has had more than its share of famines, relief operations and starvation. The ravages of drought have taken their toll: civil wars have cut and shorn the continent in the last 20 years; the history of colonial rule has left a legacy of urban-biased development and deep-seated patterns of trade dependency with the metropolitan powers; the world energy and economic crises have hit the poorest continent hardest.

All these are important factors but in the end it is the contemporary mistakes of African governments and the aid agencies that crystallize the decline. The World Food Council, in an unpublished report, notes that "on the whole the potential for increasing food production in Africa is immense.... Yet the adverse trends are rooted in the experience of the last two decades [of independent governments], a period in which major investments have been made to alter the legacies left by a now rapidly receding colonial past."

By the standards of the United Nations system, which tends too often to succumb to its mistakes in realms of documentation, this 10-page document is electric. It outspokenly blames both governments and aid agencies. Yet it was, to the fury of some of the latter, approved by the outgoing president

of the Organization of African Unity, Daniel Arap Moi, and sent by him to the other African heads of state.

The situation in Africa is now becoming so serious that the time left to play with is down to a thread. Food consumption per person is 10 percent less than it was a decade ago. The need for food imports is expected to triple by the mid-1980s; yet there is hardly an African government that can meet its current import bills. Mortality rates in the continent are among the highest in the world, yet hunger and malnutrition during the 1980s, based on present evidence, bound to become more widespread.

Africa appears to have three principal constraints. First, it has a serious lack of managerial and technical capacity. Second, it has a grossly inadequate physical infrastructure severely blocking the transport, trade and marketing of food. Third, there is a weak structure of production incentives, with policies in many countries discouraging food production.

All the evidence of research suggests that peasant African farmers are responsive to income-generating opportunities but governments have given inadequate incentives, artificially holding down food prices in a short-term attempt to avert urban unrest.

All the same, it is not enough to blame the African states. They have been besieged by outside advice and expertise and have still come unstuck. International and national development agencies have played a much greater role in Africa than in any other region in identifying and preparing investment projects, formulating programs, supplying capital and influencing the direction of development. Indeed, they have done this to excess.

According to the World Food Council, "the way in which the multiplicity of agencies make and execute, if not appropriately co-ordinated, can have a destabilizing effect on the government's ability to address its development priorities and needs." It gives the example of Upper Volta, which in 1981 received 340 external assistance missions.

Apparently the harassed Upper

Volian officials spent every working day meeting a new mission at the airport, escorting it to lunch and giving it an appropriately respectful sendoff. There was no time to think about coordination, much less implementation.

Also serious is the evidence that only a small proportion of the international assistance effort has been directed at increasing food crops. An analysis made by the U.S. Agency for International Development shows that out of 570 projects in Africa, only 22 were directly concerned with food crop production.

Even the World Bank, which since Robert McNamara's famous "small farmer first" speech in Nairobi in 1974 has had a lavish rhetoric on the topic, is not doing as much on food as the propaganda suggests. Of 22 bank projects approved in 1981, only two are specifically aimed at raising domestic food output.

Africa, if radical steps are not taken to come to grips with declining food production, will become a hollow continent, enervated and incapable, with its inhabitants, as John Updike wrote, "stranded by the rising sea of death."

International Herald Tribune.

The Death Penalty

Regarding "Calm Pleasant Death" (IHT, Aug. 17): If the death penalty's purpose is to express outrage and to deter, its advocates should support executions in public — or perhaps on television — for all potential wrongdoers to see.

The idea of N.J.'s Governor Kean of "humane" death by injection runs counter to the intent of capital punishment's supporters.

RICHARD WEINER, Paris.

Acceptable Losses

Regarding "Pentagon Plan Specifies Methods of Winning Protracted Nuclear War" (IHT, Aug. 16, 1982): Colin Gray, recently appointed by Mr. Reagan to the advisory board for the

West Must Utilize Its Trade Power

By Richard Nixon

Second of two articles.

NEW YORK — The acute disruption within the North Atlantic Treaty Organization over the Soviet natural-gas pipeline to Europe exposes profound differences between the United States and its allies over trade with the Soviet bloc, and points up the urgent need to find a common ground on which a set of unified policies can rest.

I once heard President Eisenhower vehemently insist, at a National Security Council meeting during the height of the Cold War in the 1950s: "We should tell the Russians anything that they can't shoot back." Implicit in that remark was the idea that we should ban sales to the Soviet Union not only of weapons but also of high technology and other items that would advance its military buildup.

On this there is general agreement in principle within the alliance, however much the principle may be violated in practice. There is sharp disagreement, however, on President Eisenhower's more basic point about the inherent value of nonmilitary trade with the Soviet Union.

Views on such trade range across a broad spectrum. At one end are those who believe that trade is always good because nations that trade with one another will not fight with one another. History disproves this, but the myth persists.

At the other end are those who insist that we should have virtually no economic relations with the Soviet bloc, arguing that Communist economies are in such desperate straits that an economic quarantine would bring about a collapse of a brutal, repressive political system. History suggests that this, too, is an illusion — that rather than cede power, the rulers would simply squeeze their people harder.

Where, then, can the West find common ground?

We can start by agreeing on certain basic limits. The first is the one that President Eisenhower alluded to: that of military hardware and related technology. A second involves terms of trade. Many European firms engaged in such a competitive scramble for pipeline business that they ended up giving the Russians credit and other terms that not only were economically questionable in light of the pipeline's uncertain prospects but that also amounted to a subsidy for the Soviet economy. The rule should be "trade, not aid."

Within those limits, trade that serves the economic interests of both East and West can be made to serve the political interests of the West.

It can do this in three ways. The first way is by providing leverage that we need if we are to restrain Soviet adventurism abroad.

Deterrent Lacking

The Soviet Union's achievement of superiority in land-based nuclear missiles has made our nuclear strength no longer a credible deterrent against Moscow's creeping expansionism in Africa, Asia, Latin America and the Middle East. We will not again be able to use the threat of power as President Kennedy did in the Cuban missile crisis in 1962, when we had a 15-to-1 advantage, or even as I was able to do during the Arab-Israeli war of 1973, when our advantage was far less but still formidable. Even if we restore the balance of those nuclear forces, we will not fully restore their deterrent effect for such purposes. A threat of mutual suicide is simply not credible.

However, our economic advantage is overwhelming: The NATO allies and Japan outproduce the Soviet Union and its Warsaw Pact allies by a ratio of more than 3 to 1. Economically, our system works and theirs does not. They need us. We know this, they know it, and we should make use of it. Unfortunately, we are a sleeping giant.

The more we engage the Soviet Union in an intricate network of commercial relations, the more we increase its stake in peace — and also increase its incentive to maintain good relations with us.

When the Russians marched into Afghanistan, the United States was reduced to boycotting the Olympics in Moscow and shipping on a grain embargo that was meaningless because other suppliers were ready to rush in and fill the gap. We would have had more leverage if we had been trading in more things than the Russians wanted.

For economic leverage to be effective, it must be substantial. We must have something significant to give, and also to take back. We need both the carrot and the stick. "Linkage" is only as strong as the Soviet leaders' desire to their best interests. It is also only as strong as our own toughness and skill in bargaining. Unless we are tough, as Britain's former Prime Minister Lord Home commented to me recently, the Russians "will simply pocket what we give them and give nothing in return."

Some people think of economic le-

verage simply as the punitive use of economic sanctions, with highly publicized conditions set for their removal. This is highly ineffective, and sometimes counterproductive.

The real leverage we gain from East-West trade is both more subtle and more complex. The Soviet leaders want what the West produces, and they are willing to give up something to get it. They will give up more in private than they will in public. The key is to make very clear to them that there is an iron link between their behavior and the West's willingness to make the trade deals they hope for, while not doing so in such a way that they lose face.

For example, Jewish emigration from the Soviet Union was increased from less than 1,000 in 1968 to nearly 35,000 in 1973 as a result of our private pressure. But then, Congress passed the Jackson-Vanik amendment, which put the Russians on the spot publicly by tying trade to emigration policies, and the number of Jews allowed to emigrate was cut in half.

The second goal that trade can advance is peaceful change within the Soviet bloc. Trade increases contacts and helps open Soviet bloc countries to the force of Western example. The more contact we have, the more we add to those internal forces that are generating change.

Substantial Change

During the long, chilly years of Cold War confrontation, there was little change in the countries of Eastern Europe. There has been substantial change since then. As I saw on a recent visit to four Eastern European countries, the stirrings of greater freedom are there — economic freedom in some, political or social freedoms in others. And conditions are ripe for further change.

The third way that trade can serve our interests is by opening the way for movements in other fields. Used this way, trade can be a powerful instrument for peace.

There is great emotional appeal in the notion that limiting arms will ensure peace. But this is naive. Arms control is desirable but it does not get at the central question: Even if we and the Soviet Union both reduced our nuclear weapons by half, we still would have enough to destroy one another and much of the rest of the world many times over. The threat of war arises not from arms but from those political differences that can lead to the use of arms.

Peace requires progress on those political issues. Even more important than reaching the individual issues themselves is establishing a continuing process of negotiation that becomes part of a structure of peace. Trade can be the cornerstone of this process as well as the lubricant that makes progress possible on the divisive political issues.

The capstone of my own first summit meeting with then-General Secretary Brezhnev in 1972 was SALT I — the first strategic arms limitation treaty. We might not have achieved that agreement if we had not been simultaneously negotiating on a host of other issues. The Soviet leaders' eagerness for trade was one of our most powerful levers in winning concessions on political issues.

No matter how great the economic power of the West is, as a weapon it will be useless or worse unless we act together.

If we allow the Russians to divide and conquer, they will.

Agreement by the NATO allies and Japan on tactical measures is not enough. There has to be a more basic agreement on principles and objectives. Agree on principles, and a concerted approach to applying those principles will follow. But if some nations are free riders, the alliance will be weakened and the restrictions will not hold. Winning such agreement will test the diplomatic skills of America's new Secretary of State, George Shultz, and it is fortunate for the West that his economic credentials uniquely equip him for such a challenge.

For its part, the United States itself has not achieved a concerted, unified use of its economic power since the days of the Board of Economic Warfare in World War II. One of our greatest frustrations as president was the constant infighting among Cabinet departments and independent agencies involved with foreign economic policies. The time has come to knock heads together. When speaking to the Russians — or to our allies — the United States must speak with one voice, and that voice must be authoritative.

The pipeline dispute can be the alarm that wakes the sleeping giant — that rouses the West as last to the urgency of the need to use its economic power and to do so in a coordinated way. If it does so, the result will be a major contribution to the twin causes of Western security and world peace.

The New York Times.

LETTERS TO THE EDITOR

Arms Control and Disarmament Agency is quoted as having written in 1980 together with Keith Payne: "Washington should identify war aims that in the last resort would contemplate the destruction of Soviet political authority and the emergence of a postwar world order compatible with Western values."

They specified that 20 million U.S. fatalities would represent a compatible level.

May we ask what Western values Mr. Gray had in mind?

F.S. FRIEDMANN, KATHERINE KOERNER, Munich.

Cardinal's Comment

Regarding "Philippine Cardinal Calls for Marcos to Resign" (IHT, July 22): Even the most vituperative

Western press acknowledges that in 1980, election, helped by the United States, would be sure to win. Knowing how power abhors a vacuum, Cardinal Sin could not have wished anarchy on his country by calling for the resignation of Mr. Marcos.

The cardinal was obviously quoted out of context at a time when he was hurrying in the prerogatives of pastoral preaching: both men desire the same end, which is to restore full normalization of political process while upholding the lot of Filipinos. But while the cardinal can indulge in traditional ideals and pontificate on principles, the president is confronted with day-to-day problems requiring pragmatic politics of a catholic leader of his country.

JOSE A. ZAIDE JR., Philippines Embassy, Bonn.

AUG. 24: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Russians Ask Protection

YOKOHAMA, Japan — In the midst of official felicitations over the new Russian agreement, the Russian minister has been compelled to appeal to the Foreign Office for protection of certain Russians, against whom an active press agitation is being carried on as suspected spies. This is the outgrowth of a sensational daylight murder in the streets of Tokyo of a Japanese named Mayeda by another named Imamura. The murderer alleges that he suspected Mayeda of becoming a Russian spy and killed him from motives of supreme patriotism. As both have been under police surveillance for their friendliness with Russians, the police theory is that Imamura killed Mayeda hoping to exculpate himself.

1932: Peeresses' Trek

LONDON — Two British peeresses, closely connected by marriage with the royal family, will leave England to seek adventure in the Persian desert. They are Lady Louis Mountbatten and the Marchioness of Milford Haven. The latter, disclosing their plan to the press, said they will travel by plane, without servants or companions, and take a minimum amount of clothing. The equipment will include a light collapsible tent and sleeping bags. The itinerary will be overland to Istanbul, thence through Palestine Mesopotamia, into Persia. "We want to get away from tiresome people, towns and hotels," explained Lady Milford Haven. "It isn't bandits I'm worrying about, it's mosquitoes."

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In Soviet Union, Sex Education Courses Focus on Health and 'Maidenly Honor'

By John F. Burns
New York Times Service

MOSCOW — With a cynicism that might be familiar to Americans who grew up in the 1950s, Soviet high schools have begun their first large-scale experiment in sex education, a topic that was once taboo and that still raises the hackles of many parents and bureaucrats.

Since last fall, 15 schools in Moscow and smaller numbers of schools in cities elsewhere in the country have been offering classes to students of both sexes in the eighth, ninth and 10th grades, mostly 14- to 16-year-olds.

Initial reports on the experiment appearing in the Soviet press suggest the pioneers must still tread warily for fear of reviving allegations that their efforts endanger the morality of Soviet youth.

A recent report in the weekly Nedelya gave some of the moralistic flavor of the undertaking.

The writer, Yelena Yelenskaya, set in one of the classes for eighth-grade girls at School No. 145 in Moscow's Frunze borough, which has led the way in the capital by opening seven of its schools to the new classes.

The account quoted approvingly from the

opening stricture of the instructor, a woman doctor from a local clinic.

"You girls are future wives, but unfortunately you know very little about your bodies," said the doctor, A. Yakushina. "So I want to talk about how one should treat one's health and how to protect it. And about maidenly honor: If you lose it, you'll be in a lot of trouble!"

It has taken educational innovators, psychologists and sociologists 20 years of lobbying and writing scholarly articles to win approval for what, in a nation of 80 million school-goers, is still a very restricted program.

Formal strictures against "bourgeois licentiousness" remain in force, and it is the projection of these official attitudes into the educational sphere that has complicated the efforts of reformers to get sex classes onto the curriculum.

The concessions that allowed the experimental program to proceed were only made when a mounting body of data published in demographic and sociological academic journals showed that the country was experiencing a

disturbingly high incidence of divorce, venereal disease and teen-age pregnancies.

Nearly one-third of all marriages in the Soviet Union end in divorce. Although a study in Leningrad five years ago rates drunkenness among husbands almost on a par with infidelity as a cause of marital breakdown, more recent surveys have suggested that sexual dissatisfaction is a factor in as many as two-thirds of all cases.

Success in Estonia

The fact that one-third of all divorces occur within a year of the wedding has been taken as further evidence of the need for formal sex guidance for adolescents.

Those pressing for sex classes had their first success in the republic of Estonia, which has had such classes in all its general schools for 15 years, and later in the neighboring Baltic republics of Latvia and Lithuania.

After years of discussion, the Academy of Pedagogical Sciences drew up a pilot program and tested it in a handful of Moscow schools, but the lack of properly trained teachers led to some early setbacks.

One example was quoted in a 1979 article in

Komsomolskaya Pravda, the newspaper of the Young Communist League, which described what happened when a biology teacher in Kaliningrad was entrusted with sex instruction.

"She read the appropriate literature and prepared a lecture that seemed to her to lie within the reach of her children's understanding," the newspaper said. "But no sooner had the poor teacher begun to speak than she was deluged with the most inconceivable, fantastic and absurd questions, based on barnyard anecdotes and idle conjecture. The teacher's face flooded with color, and she bolted from the classroom. On that note, the sad experiment came to its end."

Batteries of Statistics

In recent articles on the broader experiment under way in Moscow, academic proponents have felt the need to hammer home the case for the classes with batteries of statistics on the incidence of premarital sex, accompanied by gloomy prognostications of the effect on the country if the trend is allowed to go unchecked.

Dr. I.S. Kon, an ethnographer at an Academy of Sciences institute in Leningrad, wrote in

a recent issue of Sociologicheskoye Issledovaniye, a sociological journal, that "to a substantial degree young people today separate sexual involvement from the intent to marry."

Dr. Kon cited data that the number of children conceived before marriage was rising sharply — 23 percent in 1968, 28 percent in 1973 and 38 percent in 1978.

Nonetheless, he said, there was still a tendency to treat the subject of sexual relations "with what Engels called 'false petit bourgeois modesty.'" There were parents and teachers who opposed sex education in schools on the ground that biology courses provided all that was necessary and that "our ancestors got along fine without that knowledge."

Retorted Dr. Kon: "They got along fine without electricity, airplanes and television, too, but we neither can nor wish to do without them."

In fact, he argued, contemporary Soviet children may be worse off when it comes to learning about sex than their grandparents' generation.

"Although peasant children didn't use to receive any scientific sex education," he said,

"they were less naive than today's schoolchildren: adult life went on right in front of them, and besides, all peoples had rituals that served the function of sex education."

"Nowadays, what substitute is there for this folk learning? Parents shun the subject and popular literature is published in such limited editions that it doesn't come close to meeting the demand."

In a country where women have an average of eight abortions during child-bearing years and where pregnancies can be ended on demand at a cost of less than \$10 the girls in the Moscow schools have been told that interrupting a pregnancy is harmful to their health.

Heavy emphasis has been put on the loss of honor involved in premarital sex, and, in one case chronicled by Nedelya, ninth-grade girls were invited to criticize a hypothetical 30-year-old bachelor who celebrates his freedom "to invite any girl out to a movie, to dinner — no obligations, no worries."

"The teacher," Nedelya said, "directed the conversation to the problem of loneliness, moral purity and the supreme joy of becoming a father."

Successor to Swaziland's Monarch Will Be Drawn From Huge Family

Compiled by Our Staff From Dispatches

JOHANNESBURG — The

death of King Sobhuza II of Swaziland

could precipitate a succession

crisis in the small country,

which is situated between white-

ruled South Africa and the black

state of Mozambique.

The king, King Sobhuza II, re-

ported, died Sunday at the age of

83 after 61 years of rule. He was

the world's longest-reigning

monarch.

Traditionally in Swaziland, a

successor is not chosen until after

a king's death, so that he cannot

become a rival during the

monarch's lifetime. The choice of a

new king among family members

is wide. King Sobhuza had more

than 100 wives, more than 500

children and untold numbers of

grandchildren and great-grandchildren.

It is said that more than 20

percent of the citizens of the country

of 550,000 bear the ruling family's

name.

King Sobhuza, called the Lion

of Swaziland, among other appel-

lations, generally kept on good terms with both the segregationist government of South Africa to his west and the revolutionary government of President Samora Machel of Mozambique to the east.

Increasing Pressure

But Swaziland has come under

increasing pressure because of the

tension between its more powerful

neighbors. Black nationalist guer-

illas based in Mozambique and

fighting against South Africa have

used Swaziland as a path into the

white-ruled country, and blacks

fleeing from South Africa have im-

migrated. At the same time, white

South Africans have come in

droves to gamble at the casino in

Mbabane, Swaziland's capital.

South Africa has been preparing

to cede territory to Swaziland that

King Sobhuza contended histori-

cally belonged to the kingdom. An

estimated 700,000 Swazis — more

than live in Swaziland itself —

make their homes in South Africa,

and the gain of the territories

being discussed would give

landlocked Swaziland access to the

sea. The move is opposed by Zulu

leaders in South Africa, who have

warned that it could lead to tribal

clashes.

King Sobhuza blended 500-year-

old traditions and up-to-date prag-

matism into an African economic

and political success story. He was

an absolute ruler who was equally

at ease in a Western tuxedo or

walking barefoot among his people

in tribal attire.

The king administered his coun-

try closely and often put his sons

and other relatives in important

posts. He was respected by the

people as their hereditary and even

divine ruler. What little opposition

he had arose in the 1970s among

foreign-educated university gradu-

ates with an eye on positions he

gave to his kin.

Independence in 1969

Swaziland became independent

from Britain in 1969. Four years

later the king turned to absolute

rule, abolishing the Westminster-

style constitution bequeathed to

him by the British and denounced

by him as "un-Swazi." The change

came after a general election

brought a few opposition members

into the national legislature to sit

alongside the members of his Roy-

alist Party, who previously had

held all the seats, some of them by

appointment.

Swaziland is rich in mineral re-

sources, and King Sobhuza actively

supported foreign investment and

management, much of it remain-

ing in the hands of a small

minority of white residents. His

hope was that such economic de-

velopment would benefit his own

people, most of whom were living

in rural poverty. To a large extent,

through exports and the develop-

ment of its resources, this hope has

paid off.

The king, a slender man who

lived simply, preferred life at the

royal kraal, or village, outside the



King Sobhuza II of Swaziland in one of his many uniforms.

capital, where he often wore a leopard-skin loincloth. He led the Swazi many tribal festivities and rituals and was popularly and vari-

ously referred to as the Great Mountain, the Bull, the Son of the She-Elephant, and the Inexplic-

Ulla Jacobsson, 53, Swedish Actress In Films of 1950s and '60s, Is Dead

The Associated Press

VIENNA — Ulla Jacobsson, 53,

a Swedish movie actress who

starred in "One Summer of Happi-

ness" in 1952 and Ingmar Berg-

man's "Smiles of a Summer

Night" in 1955, died Friday, re-

portedly of bone cancer.

In 1956, she appeared in the

French production of "Crime and

Punishment." In 1962, she co-

starred with Glenn Ford in "Love

Is a Fall," and a year later she had

the leading female role in "Zulu,"

also starring Michael Caine and

Jack Hawkins.

Leslie H. Warner

NEW YORK (NYT) — Leslie

H. Warner, 71, who was president

of the General Telephone and

Electricity Corp. in the 1960s and

its chairman in the 1970s until he

retired in 1976, died Thursday in

Stamford, Conn.

Frank C. Wright Jr.

NEW YORK (NYT) — Frank

C. Wright Jr., 78, an inventor and

painter, died Tuesday of cancer. In

1946, Mr. Wright joined the Euro-

pean Recovery Program, in which

he developed a method of building

houses for refugees in 24 hours. In

the early 1950s, he was public rela-

tions director for Radio Free Eu-

rope.

Mozambican Insurgents Seeking Weapons Aid in the West

Reuters

LISBON — Representatives of a

Mozambican rebel group plan a

European mission designed to

draw support from Western

governments for its attempt to

overthrow the government of Pres-

ident Samora Machel.

The mission had planned to

leave Lisbon on Monday. But a

spokesman for the Mozambique

National Resistance Movement

said that the departure was de-

layed "due to organizational re-

asons." He added, however, that it

would leave on Tuesday.

According to the mission's lead-

er, the rebel group will be asking

for increased arms supplies from

friendly Western nations. The

group's Lisbon spokesman, Evo

Fernandes, said the mission would

visit France and West Germany

but that there were still doubts

about a planned stop in Britain.

He did not reveal its first destina-

tion.

Manuel Guindon Mahluza, a member of the movement's 12-member executive council, said earlier in the day that the group also hoped to dispel the National Resistance Movement's image as a band of guerrillas used by South Africa to put pressure on its Marxist black neighbor.

12,000 Men

According to Mr. Mahluza, who

said he had come to Lisbon "from

the battlefield," the guerrilla

movement controls four of Moz-

ambique's 10 provinces but for

military reasons does not attempt

to hold several towns within those

areas.

He put its fighting strength at

"12,000 very well-armed men, even

though some of them do not have

boots or uniforms."

The most damaging accusation

levelled by the Mozambique gov-

ernment against the guerrilla

movement is that it gets its arms,

money, training and supplies from South Africa.

Denying this, Mr. Mahluza said the guerrillas got their arms from the West, but he refused to indicate through which countries they reached the National Resistance Movement.

He said he hated apartheid and hoped that if the movement came to power in Mozambique it would be able to influence change in South Africa.

Asked what kind of relationship the National Resistance Movement would have with the white-ruled republic, Mr. Mahluza said he hoped for improved trade, "mainly because it is cheaper to import from one's neighbor."

President Machel, who took power when Mozambique received its independence from Portugal in 1975, has also maintained economic links with South Africa. But he has aligned himself closely with the Soviet bloc and has turned his

country into a haven for South Africa's banned African National Congress. South Africa would clearly stand to gain from a National Resistance Movement victory.

"We prefer not to have clashes with our neighbors," Mr. Mahluza said. "If the ANC was allowed to operate as a political party in South Africa, maybe we would allow it to open a political bureau, but we would never tolerate it as a guerrilla movement."

Guerrilla attacks have played havoc with the Mozambique transport system, causing problems for Malawi, Zambia and Zimbabwe, none of which have access to the sea and jeopardizing efforts by the region's black nations to lessen economic dependence on South Africa.

Mr. Mahluza admitted that Mozambique's black neighbors were unwilling to support the move-

ment, but he said the guerrillas had no alternative but to attack key economic targets.

"Our aim is to deprive Machel's regime of the revenue earned from carrying international traffic," he said. "We are sorry that this hurts our neighbors, but there is no other way."

■ Trial for Saboteurs

The Associated Press reported from Pretoria that a Mozambique allegedly trained as a saboteur in Angola and Mozambique appeared in the Pretoria Supreme Court Monday on two charges of murder and three of terrorism.

Rogério Hoffmann Chamusso, 32, was remanded in custody for trial Tuesday. He is alleged to have been part of a group of saboteurs who attacked the state-owned Electricity Supply Commission plant at Witbank Oct. 23, and to have murdered two whites at a nearby village the same day.

A. Blooming

ARTS / LEISURE

Honoring Count Basie,
Jazz's Great Catalyst

By Robert Palmer

NEW YORK — William (Count) Basie, the septuagenarian bandleader and pianist, has been getting some long-overdue recognition. A few months ago, the Black Music Association presented a tribute to Basie at Radio City Music Hall, with performances by Lena Horne, Stivie Wonder, Quincy Jones and other black superstars.

The new CBS cable television network devoted the first of what it promises will be a series of specials on jazz to a Basie tribute featuring Tony Bennett and Sarah Vaughan, among others. The Book-of-the-Month Club has released a three-record set, "Count Basie: The Early Years," tracing his career from the mid-1930s through the early 1950s, and other reissue albums are on the way.

Several participants in the recent tributes, including Basie, have noted that artists can appreciate such recognition only while they are alive. Duke Ellington did not die unappreciated, but there were no elaborate celebrations like the Basie gala at Radio City. More disturbingly, Ellington was nominated for a Pulitzer Prize in composition, only to be passed over in favor of a more ordinary white composer working in a European-derived contemporary classical idiom.

The United States' cultural custodians have been slow to acknowledge the artistic validity and worldwide impact of the black American art music called jazz. Ellington wrote symphonic music, extended suites for his jazz orchestra, sacred music, and an enduring body of popular songs in addition to numerous jazz classics. Now, almost a decade after his death, he is widely recognized as one of the outstanding U.S. composers of this century.

But Basie is not likely to receive this sort of recognition in the foreseeable future. Although he wrote or co-wrote "One O'Clock Jump" and a few other swing-era gems, his contribution to American music cannot be accurately measured by his composer credits. The composer, all-important in the European classical tradition, is rarely as significant in jazz as the catalyst who can refine and blend traditional elements from black vernacular music into fresh new styles, or the bandleader who can fuse a disparate bunch of musicians into a performing unit greater than the sum of its parts, or the inspired instrumentalist who in turn inspires his fellow musicians.

Basie has certainly been a great instrumentalist and a great bandleader. But above all, he has been the great catalyst who combined the latest Southwestern jazz innovations and the old, irrefutable essence of the blues into an explosive

mixture — the first authentically modern jazz. His original big band, the band that set the jazz world on fire when he brought it to New York from Kansas City in 1936, was imbued with what can be seen in retrospect as a thoroughly modern sensibility.

At first, this was most evident when Basie was prodding and provoking his brilliant, unorthodox tenor saxophonist, Lester Young, with offbeat dissonances, percussive thumping and daring, extended silences. But it was also evident in the way the band used blues riffs, which became both the basic building blocks of "head" or extemporaneous brass and reed section arrangements, as well as thematic material to be developed or retold by soloists.

After World War II broke up the original band — and especially during the early 1950s when Basie started over with a small combo, repeating his transition from small band to big band — his modernism shone with added luster. Modernism may have meant bebop in the 1940s, but today it is more a spirit or an attitude than a style. It involves a thorough knowledge of the history of jazz; willingness to use elements from any or all of its eras, as needed; and the caliber of musicianship and insight that enables a player or bandleader to transform traditional materials into new music that is fresh and personal. This is exactly what Basie was up to in the 1940s and '50s, as one can hear on several recent record releases, most notably the Book-of-the-Month set.

Time Out

Like the extensive series of jazz reissues produced by Time-Life Records (which plans a Count Basie set), "Count Basie: The Early Years" attempts to strike a balance between comprehensiveness (to appeal to novice listeners) and rarity (a few unreleased or long-unavailable selections, to appeal to more serious collectors). The set begins with Basie's side-man, working in the Benny Moten band of the early 1930s. The Basie-Young partnership is represented by the superb (and frequently anthologized) small-group performance "Shoe Shine Swing" and by a few familiar big band numbers such as "Rosebud Shuffle" and "I Left My Baby" (a Jimmy Rushing blues feature).

Surprisingly (since compilations of this sort frequently have a traditionalist bias), "Count Basie: The Early Years" gives equal time to the less frequently reissued Basie recordings of the 1940s and 1950s. Don Byas, Buddy Tate and Illinois Jacquet are among the soloists who make the 1940s recordings so memorable. But Basie the modernist really shines on the six selections from 1950-51 that make up the collection's final side. Three are by an octet that was surely, man for man, the finest band Basie ever led — with the possible exception of his 1936 big band.

The saxophonists Wardell Gray and Serge Chabot (two gifted improvisers who recorded too little and died too young), the clarinetist Buddy DeFranco, and the slyly inventive trumpeter Clark Terry are all at the height of their powers on the octet's "Song of the Islands" and "Til Remember April." These performances are modern, in the best, widest sense of the word, and also timeless. So are "Nails," "Little Pony," and "Beaver Junction," big band selections from 1951 that offer equally sublime Terry and Gray as well as the more muscular tenor of Lucky Thompson.

Two albums originally issued by Verve records in the 1950s and recently reissued in high-



Count Basie

quality Japanese pressings by Polygram shed additional light on Basie's modernism, particularly on his unique reconciliation of swing, bop and the blues. "Jam Session 4," an early album supervised by Norman Granz, finds Basie and a compatibly swinging rhythm section (Buddy Rich is superb on drums) backing solos by several alumni of the early-1950s Basie octet and big band — Gray, DeFranco and the trumpeter Harry Edison — as well as Stan Getz, Benny Carter and Willie Smith. Gray's relaxed, but ravishing lyricism lights up a charging "Oh, Lady Be Good," and DeFranco proves once again that he was the greatest modern clarinetist.

Chatter Members

On Verve-Polygram's "Count Basie at Newport," the 1957 Basie band encounters charter members Young, Jones and Rushing, as well as Jacquet and Roy Eldridge, for an unforgettable, supercharged concert performance that renders even the announcer, John Hammond, practically speechless. On some of the Basie-Young recordings from the late 1930s, "Rosebud Shuffle" (for example), one can hear Young deliberately using "false" or unorthodox fingerings to draw bluesy moans, slurs, and quarter-note effects from his saxophone. His use of these devices was certainly avant-garde in 1936, but Young and Basie sound equally avant-garde on their 1957 Newport recording.

One of their choruses on a wildly exciting "Lester Leaps In" finds them using so many offbeat accents and jarring dissonances that they sound, fleetingly but unmistakably, like Charlie Rouse jousting with Thelonious Monk. Performances like this suggest that the swing vs. bop controversies of the 1940s were more personality clashes than cases of musical incompatibility. The music on "At Newport" and "The Early Years" subsumes swing and bop into something grander and more lasting than any particular style. Call it jazz, call it great black music (as some younger musicians do), call it what you will; it is as worthy of a Pulitzer, or any other honor, as any sounds America has produced.

On Buying a Touch of Aristocracy

By Steven Ratner

New York Times Service

LONDON — For people who feel a craving for a touch of aristocracy, Strutt & Parker, a firm of British real estate agents, has the solution. For prices starting at about \$6,000, they will sell anyone the right to call himself — or herself — lord of the manor.

Lingering traditions are common in Britain, but one of the longest — lingering and least known is the lordship of the manor. These titles — there are about 65,000 of them — date from feudal times, when the lord of the manor was a sort of municipal government, enforcing rules and levying fees.

Unlike peerages, which carry the right to sit in the House of Lords, lordships of the manor have no special privileges but, also unlike peerages, they can be bought and sold. A lord of the manor cannot call himself Lord Smith, but he may style himself John Smith, Lord of the Manor of North Hambridge, or wherever.

"It satisfies a bit of fantasy," said Cecil Humphrey-Smith, a heraldic expert, who owns "a few dozen" such titles. For the buyers, "it ties them to tradition when all around them things are changing," he said.

To all appearances, the attraction of that bit of fantasy is on the rise. For decades there was only an occasional transfer of a lordship of a manor. But in the past year, Strutt & Parker has encountered a horde of potential buyers as it has auctioned and sold 22 such titles.

Neglected History

Among the new owners are a handful of Americans, including Denis Woodfield, director of treasury services at Johnson & Johnson in New Jersey, who became lord of the manor of Hamptonet almost two years ago.

"It is a neglected part of English history that has always fascinated me," Woodfield said by telephone. Did he ever use his title? "Of course not," he responded indignantly. "I'd be laughed at."

But he has visited his manor, west of London in Berkshire. The local residents to whom he explained his position evinced "an extreme lack of interest," he reported. "At the pub, the response was

polite interest by the publican, who asked if I would care for another beer."

Like Woodfield, many lords of the manor buy the titles because of the historical documents that come along with them; the price often directly reflects the importance of the papers. The manor of Orton Longueville in Cambridgeshire, now being offered by Strutt & Parker, comes with more than 100 indentures, wills, mortgages, assignments and other manorial records, the oldest dating from the 17th century.

Lordships of the manor began 900 years ago when the kings of England started giving their followers large tracts of land and vast powers in an effort to promote allegiance to the crown. From the start, the title could be sold along with the manor house and surrounding estates to which it was attached.

Powers Diminished

By the late 19th century, the breakup of the great estates had substantially diminished the hold of the lords of the manor, whose powers had always been limited to their own lands. In 1925, Parliament abolished the last of the manorial government and taxing powers, and also made it possible for the title to be retained when the manor house was sold off, or vice versa.

"It's quite something to be able to draw up a chart that runs right back to the Norman Conquest," said Leslie Redford, a schoolteacher who recently became lord of the manor of Pleshey. "I bought it from a man whose family had had it since 1720."

A few lordships of the manor still carry with them mineral rights, and, occasionally, the right to hold markets and fairs and perhaps to collect fees from stalls.

"Sometimes they can be valuable," said Robert Smith, chairman of the Manorial Society of Great Britain, who inherited seven manorial titles. "I know one man who collects £2,000 a year (about \$3,500) for market stall rights."

At an auction of titles in June, one Doris Barrow paid the equivalent of \$5,600 to be lord of the manor of Barrow, which carried with it mineral rights and the opportunity to collect the equivalent of 13 cents in rent for each telegraph pole on common land.

Troupe Tours an Overview of U.S. Theater

By Arthur Holmberg

International Herald Tribune

CAMBRIDGE, Mass. — The American Repertory Theater is on an ambitious two-month tour of five European countries and Israel with a program offering an overview of the state of the American theater — from European classics, reinterpreted through contemporary American eyes, to trends in the U.S. avant-garde.

The program features Molière and Wedekind, the modern American playwrights Sam Shepard and Robert Auletta, and a number of cabaret reviews. In addition, it will provide a firsthand experience of what has been one of the most vital influences on the U.S. stage for the past 20 years: the resident theater movement.

Resident or regional companies spring up in the late 1950s as an alternative to the centralization of theater in New York and the profit-oriented commercial theater. With the ferment of off-off Broadway in the 1960s, resident theaters recharged the course of U.S. drama by raising the artistic level of stagecraft and seeking out new playwrights.

"Sganarelle," a whirligig of four early Molière farces, demonstrates how resident theaters do it: neglected works by great playwrights of the past. Andrei Serban, who directed the plays, said "Sganarelle"

will reveal a largely unknown Molière — "a Molière before he became Molière, a young dramatist turning to realism while exploring the world of fantasy and the subconscious. Few Europeans have heard of Robert Auletta, a promising young American playwright who epitomizes the kind of dramatic theater that has been nurtured. 'I reject the role of the playwright as entertainer,' Auletta has said. 'The theater should be painful. A playwright should cut into society's wounds.'"

His "Runaway," a hallucinatory incantation oscillating between realism and surrealistic irony, takes place in the dreams and memories of Pay, an unstable Vietnam veteran who has lost his capacity to trust and therefore his faith in life. The play is a howl of rage as Pay tries to grope his way back to a semblance of normality.

Shepard's "Nocturnal" typifies the new realism of much recent U.S. theater. Once the fair-haired child of the outcast who mesmerized critics with Delphic imagery and shattered archetypes, Shepard, like many of his contemporaries, has returned to straightforward narrative, flesh and blood characters, and ordinary language. Nevertheless, in the final scene of "True West," the everyday is heightened to the level of myth.

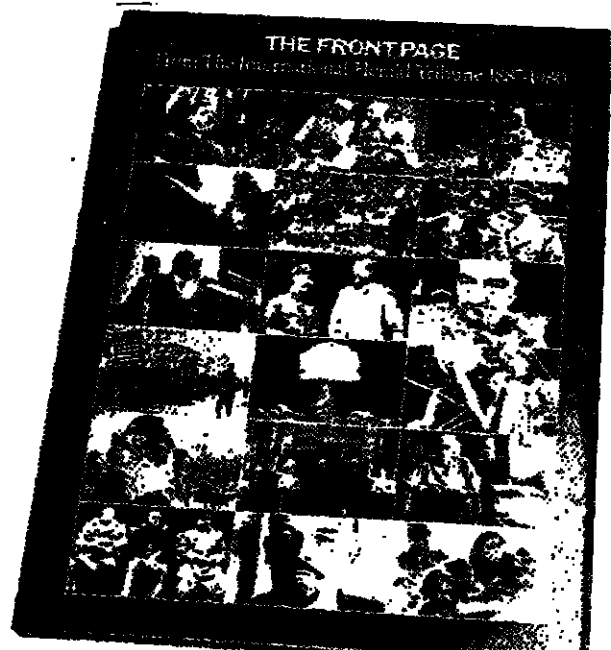
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New Hangover Antidote

The Associated Press

TOKYO — Japan's drinkers have been using 2,000-year-old ice, imported from glaciers in Greenland, in their whiskey glasses. Kyodo news service has reported. Kyodo said a Japanese liquor store started importing it as a novelty product a year ago, and it caught on. "Drinkers" say the glacial ice gives drinks a special taste, and heavy consumers say it prevents hangovers, the agency said.

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For Tibetans, the Steam Age Is Still a 10-Year Plan Away

Reuters

LHASA, Tibet — Enormous uranium reserves — a potential resource bank for China's future in the nuclear age — are believed locked inside the mountains of this vast Himalayan region. But Tibet, the steam age has yet to come.

It still takes at least a week to move goods by truck from Lhasa to the nearest rail connection, so industrial development must wait.

Last year, Tibet's Communist Party first secretary, Yin Fatang, urged the Peking government to speed up plans to build a rail link to Lhasa.

Dorje Tsidam, vice chairman of the regional People's Congress, said that Peking had not decided whether it could afford to build the rail link in its next 10-year plan.

In the present political climate, with the emphasis on quick economic results and with much investment needed elsewhere, it seems unlikely that the rail link will get priority.

The technical problems are considerable, but Mr. Dorje said he believed the problems could be surmounted if the government voted the money. In the meantime, Peking is concentrating its energies on improving the herdsmen's lot.

Four-fifths of the 1.8 million people of Tibet are herdsmen, and

must rely on the economy that has supported them through the centuries: whatever crops they can grow in the rugged terrain, plus sheep, goats and the yak.

Living Off the Yak

Their favorite animal is the yak, a hardy, shaggy-haired breed of cow that thrives in the bleak mountain valleys where the air is thin and the fodder sparse. The yak provides both meat and milk, but is perhaps most valued as a source of butter, which Tibetans use for their favorite food, buttered tea and *tsampa*, a concoction made from a stiff barley dough that is a staple.

Yak dung is an important source of a fuel to the average Tibetan nomad.

Many of Tibet's peasants actually got poorer after they were forcibly organized into communes in the 1960s.

The Chinese ended what they called a system of feudal serfdom in 1959, when they crushed an anti-Communist rebellion, and the Dalai Lama, the priestly king, fled into exile in India. The Chinese Communists first moved into the Himalayan land in 1951, claiming they wanted to liberate it.

The Chinese say living standards rose after they launched their "democratic reform" to end serfdom, but that in 1965 the policies

of leftists began to limit progress. Radical associates of Mao are blamed.

When reforms were instituted two years ago to end nearly 15 years of extremist rule, regional leaders admitted that one-third of Tibetans had lower standards of living than they had in 1966 when Mao launched his Cultural Revolution.

State Quotas Relaxed

The reforms have relaxed strict state purchasing quotas that had impoverished the peasants, and have allowed the communes more latitude in deciding what to plant. The reforms have also permitted bigger private plots for families in agrarian areas and more private ownership of livestock in pastoral regions. Local free markets have been permitted to reopen.

Within the communes, responsi-

bility for output has devolved mainly to the household, thereby giving families more incentive to work harder than they did when work was done collectively village by village.

Chinese leaders now concede that a major mistake of the "leftist" period was to order Tibetan farmers to grow more wheat instead of their traditional highland barley. Since high-yielding wheat needed quantities of fertilizer, it exhausted the soil in many areas. Besides, Tibetans did not like to eat it.

Tibet's grain output totaled 485,000 tons last year, down from the 1980 figure of 500,000 tons, said Wang Jian, deputy editor of the Xizang Daily. The paper is run by the Peking government.

Barley production was up 17 percent in 1980, however, and ac-

counted again for more than half the total of grain output.

But Tibet is still believed to import substantial amounts of grain from the rest of China, if only to feed the army garrisons estimated to exceed 200,000.

It is difficult to assess development in the pastoral areas, since the figure given this year for the total herd of livestock — 23 million — is exactly the same as that given to visiting journalists two years ago.

Requests to see a pastoral commune were refused. Instead the first group of Peking-based correspondents to visit Tibet in two years was taken to a model agrarian commune in the rich Lhasa Valley that had little livestock and preferred to grow wheat.

Tibet is still China's poorest region, by annual output of 29 the

provinces, finishing at the bottom of a recent list published in the August edition of the official weekly, Beijing Review.

The Chinese are subsidizing the region by more than \$300 million this year.

The emphasis now is on development of small, hydroelectric power stations, telecommunications and transport, handicrafts and light industries suited to local conditions.

Mr. Yin believes that uranium reserves under Tibet's jagged peaks and rolling valleys are the world's largest. Although he gave no figures to support that claim, official reports say that rich reserves of chromium, borax, lithium and iron ore lie there. But because they remain untapped, their true value will not be known for years.

Suzuki Pledges to Rectify Japan's Textbooks

By Tracy Dahiby

Washington Post Service

TOKYO — Premier Zenko Suzuki, seeking to end a bitter dispute stemming from Japan's rewriting of textbook accounts of World War II, acknowledged Japan's responsibility for its aggressive military past Monday and promised to change the offending passages.

China and South Korea have demanded that Japan "correct distortions" in school history books regarding its military actions in Asia in the late 1930s and early 1940s. The controversy, which has caused

protests and indignation throughout Asia, has threatened to damage Japan's relations with its two key Asian neighbors.

At a televised press conference Monday, Mr. Suzuki said that Japan "deeply reflects on the sacrifice, damage and pain we caused our Asian neighbors during the past war." He said Japan would "listen humbly to the criticism" and would take "concrete actions without delay" to rewrite the disputed accounts.

The premier stopped short of outlining the substance or the precise timing of those steps, however, reflecting the strong objec-

tions of Japan's Education Ministry and the outspoken right wing of its Liberal Democratic Party.

Senior school authorities, backed by hawkish Liberal Democrats, have resisted any changes that would, in their view, diminish the impression that Japan was bowing to foreign pressures. Foreign Ministry officials, on the other hand, have vigorously fought to have the passages quickly altered to avert further diplomatic fallout.

The standoff between the two departments has prevented Japan from adopting a unified stand on the issue and forced Mr. Suzuki to take direct political action. His pressing his concern that failure to resolve the issue could further damage ties with Peking and Seoul, he said Monday that the government intends to announce plans for overhauling textbooks before Foreign Minister Yoshio Sakurazaki leaves Friday on an Asian tour.

The controversy arose when the Education Ministry recently disclosed that new books for the school term starting in April have replaced the word "aggression" with "advance" to describe the Japanese Army's attack on China in the 1930s. The Koreans have been outraged by what they charge are attempts to whitewash

accounts of Japan's 35 years of colonial rule before the end of World War II by "among other things, characterizing Korean demonstrations for independence as riots." The issue has touched off angry responses from Taiwan, the Philippines, Singapore, North Korea and other countries in Asia where an estimated 18 million people died in World War II and bitter memories of Japan's role in the conflict remain.

Mission Fails

Attempts to end the dispute have resulted in furious diplomatic efforts to explain Japan's position to China and South Korea. Earlier this month, a Japanese mission to Peking failed to persuade Chinese authorities, and Tokyo's offer to send a similar delegation to Seoul was rejected by South Korean officials.

While the public furor touched off by the Japanese revisions has shown few signs of dying down in China or South Korea, officials in those countries appear interested in ending the dispute soon.

Failure to mollify Peking might endanger Mr. Suzuki's scheduled visit to China late next month to mark the 10th anniversary of the normalization of Sino-Japanese relations. A major diplomatic setback could damage his bid for re-election as party president.

More Seychelles Rebels Give Up After Appeal

VICTORIA, Seychelles — Three rebel soldiers who took part in the mutiny Aug. 17 in the Seychelles surrounded Monday after the government appealed to 11 soldiers at large to surrender.

Informal sources said 80 mutineers were now in prison. The uprising was crushed when government troops stormed the radio station and other installations being held by the rebels, freeing more than 20 hostages.

TUESDAY, AUGUST 24, 1982

Statistics Index
Page 7

BUSINESS BRIEFS

Fujitsu, NEC Baise Profit Estimates

TOKYO — Fujitsu and Nippon Electric Co. Monday revised upward their profit forecasts for the six months ending Sept. 30 based on improved export profits and strong sales of electronic appliances.

Fujitsu said its recurrent profit in the first half will increase to about 28 billion yen (\$110 million) from an original estimate of 22 billion, and compared with 19.7 billion a year earlier.

NEC said its recurrent profit in the period will rise to 19 billion yen from 18 billion predicted earlier this year, and compared with 17.3 billion in the year-earlier period.

VW to Cut Work at Belgian Plant

BONN — Volkswagen will suspend production at its Brussels assembly plant and put about 3,200 of the 4,800 employees there on reduced work days for two weeks beginning Sept. 27, a VW spokesman said Monday.

VW said last week it would halt production at all domestic plants over the same period, involving reduced time for about 75,000 of its 119,500 West German employees.

Bonn, States to Discuss AEG Credit

BONN — The Economics Ministry has called talks for Tuesday with West German state governments on their possible participation in a planned 1.1-billion-Deutsche-mark (\$450-million) federal credit guarantee for AEG-Telefunken, a ministry spokesman said Monday.

State Secretary Otto Schlecht will seek backing from state finance and economic ministers for up to half the amount to be guaranteed by the federal government, he said.

Meanwhile, DG Bank Deutsche Genossenschaftsbank said Monday it has decided to take part in the 1.1-billion-DM bank credit for AEG. DG Bank was the only member of AEG's 24-member consortium of lenders that did not attend a meeting last Wednesday, at which more than 20 banks agreed to grant the credit, banking sources said.

Indonesia Gets \$158-Million Credit

LONDON — Indonesia's state oil company, Pertamina, has raised 90 million pounds (\$158 million) through a loan arranged by Bankers Trust Co., Britain's Export Credits Guarantee Department said Monday.

The proceeds will help finance a contract awarded to Thyssen Steel for the construction of a plant near Palembang, South Sumatra, to produce textile feedstock from naphtha, according to the ECGD, which is guaranteeing the loan. Terms were not disclosed, but banking sources said interest on the loan was set at 7 1/2 percent and that the repayment period is 10 years and final maturity 15 years.

Bankers Trust said the loan is the first in a series of \$525 million in European export credits for projects being coordinated by Thyssen and Kellogg Overseas Corp. of Houston. Apart from Bankers Trust, other banks in the syndicate are Chase Manhattan, Deutsche Bank, Industrial Bank of Japan, National Westminster and Sumitomo Bank, the ECGD said.

Hewlett to Sell Portable Computer

PALO ALTO, Calif. — Hewlett-Packard Co. introduced Monday a \$995 portable computer, saying it may be the first on the market with real "computer characteristics."

The computer, called the 75C, is Hewlett's first portable computer and enters a competitive field that some analysts believe will grow 100 percent a year for the next five years. The company said the computer, which is to be available Sept. 15, weighs 26 ounces (728 grams) and measures 10 inches (25.4 centimeters) by 5 inches by 1 1/4 inches.

Fluor Gets \$200-Million Contract

IRVINE, Calif. — Fluor Corp. said Monday that it has won a \$200-million contract from Atlantic Richfield Co.'s Arco Dubai Inc. unit covering the first phase of an oil and gas processing plant in the Margham field in Dubai.

Arco Dubai is the operator of the project in participation with British Ltd. of London, formerly part of British National Oil Corp. Fluor said it will perform engineering and procurement services and develop a project cost estimate.

Fluor said the project's first phase will include a gathering system and treating facilities for 20,000 barrels of oil a day, reinjection facilities, a 40-mile (64-kilometer) pipeline to new storage tanks and a loading terminal at Jebel Ali, Dubai.

Grundig Asks Protection From Asians

DUESSELDORF — Max Grundig, founder and supervisory board chairman of Grundig AG, called Monday for measures to protect European basic electronics industry against what he called the misuse of competition by Asian companies.

Mr. Grundig said in a speech at a bi-fi and video trade fair here that Asian manufacturers must be persuaded to abide by the laws of the free market. He asked the West German government and the European Economic Community to protect European companies but did not specify what measures he would like to see. He said he was against such measures as customs barriers.

Asian countries, particularly Japan, helped by lower costs and hidden subsidies, have built up huge capacity for production and sell in the United States and Europe at artificially low prices, Mr. Grundig said. Grundig had a group loss of some 40 million Deutsche marks (\$16.3 million) in the year to March 31, 1981, on turnover of 2.9 billion DM.

Brokers Think Silver's Time May Have Come

By H. J. Maidenberry

New York Times Service

NEW YORK — There are two ways of looking at the surge in the price of silver bullion over the last week, which raised the metal over \$8 a ounce, based on Monday's close of the spot August Comex futures contract.

One view was that silver was now back to its price of late 1981, when it was still falling from a record level of \$50.30, set Jan. 21, 1980.

The other view was that silver took off from that level in the fall of 1979 and did not stop climbing until it reached its record price.

While not even the most courageous silver bull today thinks the metal will cross the \$50 mark in the foreseeable future, two of the major houses in the precious metals industry believe there are enough sound reasons why the metal should interest investors.

Rising Demand

They are Handy & Harman, a leading fabricator of silver and other precious metals, and J. Aron & Co., the giant commodities brokerage house acquired last year by Goldman, Sachs & Co., investment bankers. This Wednesday, J. Aron will start marketing silver bullion made by Handy & Harman to the public through banks, brokerage houses and other retail dealers for the first time.

More important, J. Aron promises to create a highly liquid two-way market in their bars in which the buy-sell spread would be narrower than is commonly the case in precious metals bars, the company said.

Because a number of their competitors, such as Engelhard, Montana Metals and Johnson & Matthey, also offer silver bullion, what prompted the Handy & Harman-J. Aron entry into this market at this time?

The question was first addressed to Mr. Townsend, chairman of Handy & Harman, who said last

Silver Price Tops \$8 an Ounce

LONDON — The price of silver rose in hectic trading to close at \$8.08 an ounce Monday, up 59 cents from Friday's close. It was the first time it had traded above the \$8-an-ounce level since February. On New York's Commodity Exchange, it closed at \$8.01 an ounce.

Gold was quoted in London as high as \$397 an ounce before closing at \$395.50, up \$11.25 from Friday's close. After substantial gains last week, it began trading at \$378.85 an ounce, down from \$384.25. Analysts said that despite this profit-taking pressure, the price moved higher on speculative buying. On the Comex in New York, gold closed at \$399.20 an ounce, up \$12.70.

Week: "Until a few months ago, we thought the 1979-80 boom and bust in silver had ended the public's interest in the metal as an investment for a long time. Then we became aware that there was once again a rising demand for silver from all kinds of people."

Renewed interest in silver bullion began growing after its price dropped to a recent low of \$4.24 an ounce last June 21 and grew substantially as interest rates began to fall soon afterward.

While falling interest rates made it less expensive for the trade to carry inventories, it also encouraged buying by ordinary investors. This is because the yields on competitive investments such as money market funds, Treasury bills and various bank certificates of deposit became less attractive. Indeed, it was the high yields on short-term investments as much as anything else that had tarnished the appeal of precious metals.

Combined Talents

This factor, combined with the recent string of insolvencies among firms of financial institutions and fears that others will be hurt by their inability to recover huge loans made to Mexico and other foreign countries, has once again prompted many investors to look upon precious metals as a financial security blanket.

But Mr. Townsend noted, "We also were aware that we had no expertise in dealing directly with the

in all sorts of commodities. While J. Aron doesn't deal with the public, they are well connected with banks, brokers and other who do."

At J. Aron, Morris A. Sandler, vice president, described his house's part in the new venture.

"First off, we will only deal in bars of 100 troy ounces that are .999 fine, the top grade in the trade. Buyers of smaller bars usually pay higher premiums in percentage terms. We expect our markup to be about 3.5 percent above the daily Handy & Harman quote, which is the standard in the silver market. The brokerage houses that will retail the bars, such as Merrill Lynch, Pierce, Fenner & Smith and Shearson/American Express, will charge a fee that should be competitive. We expect many other brokerage houses to carry our bars, as well as banks all across the nation."

Mr. Sandler added that buyers need not take physical delivery of the seven-pound bars from the retailers, but instead could have them stored in vaults in Delaware, which would save on sales taxes.

CURRENCY RATES

Interbank exchange rates for Aug. 23, excluding bank service charges.									
	\$	£	DM	FF	Y	Scd.	S.F.	S.P.	S.K.
Amsterdam	2.265	4.284	19.919	32.2	0.192	—	2.726	138.32	31.45
Brussels (a)	47.23	82.19	19.213	—	4.875	3.4972	17.478	—	22.756
Frankfurt	2.695	4.283	—	—	26.74	1.772	91.88	5.008	118.02
London (a)	1.743	—	—	—	4.276	12.045	2.421.6	—	28.64
Paris	138.25	2.616.8	52.71	—	—	—	—	—	—
New York	—	1.2518	0.4977	0.1443	0.079	0.270	0.0214	0.4877	0.1146
Porto	4.877	11.94	27.58	—	—	4.8955	24.36	14.51	321.52
Zurich	2.672	3.498	84.395	32.12	0.195	74.7	4.885	—	24.36
1 Franc	0.206	0.351	2.553	0.071	0.029	2.917	45.916	1.977	8.251
1 Swiss	1.919	0.6725	2.283	7.284	151.07	2.954	51.549	2.347	134.02

Dollar Values									
\$	£	DM	FF	Y	Scd.	S.F.	S.P.	S.K.	Per
0.0775	Australia \$	1.0201	0.837	10.001	27.28	0.4524	Shanghai \$	2.148	—
0.8279	Austria schilling	7.259	0.824	Japanese yen	255.35	0.071	S. Arabian riyal	1.248	—
0.2021	Belgian fr.	40.25	2.4219	Swedish dollar	1.3397	0.0174	S. Korean won	200	—
0.0073	Canada \$	1.2586	0.6282	Malay, Singapore	2.3535	0.0071	Spanish peseta	166.69	—
0.1146	Denmark kr.	6.8225	0.131	Mexico, pesos	4.6853	0.0498	Swedish krona	4.108	—
0.2114	Finland mark	4.751	0.132	Philippine peso	4.835	0.025	Taiwan \$	36.7	—
0.014	French franc	6.54	0.0118	Port. escudo	65.124	0.0459	Thai baht	25.241	—
0.1463	Hong Kong \$	0.715	0.296	Saudi riyal	3.695	0.0223	U.A.E. dirham	2.673	—
1.399	Irish £	0.7148	—	—	—	—	—	—	—

(a) Commercial terms. (b) Amounts needed to buy one pound. (*) Units of 100. (c) Units of 1,000.

Soviet Order Crucial For John Brown PLC

By Steven Rattner

New York Times Service

LONDON — Until the era of trans-Atlantic passenger ships drew to a close, the name of John Brown Engineering was synonymous with ocean transport. From the Lusitania in 1907 to the Queen Elizabeth 2 in 1967, many of the world's great ocean liners were built in the John Brown yards along the River Clyde.

Now the name has become popularly known again, this time because of the company's involvement in the production of 21 gas turbines for the natural gas pipeline to be built by the Soviet Union from Siberia to Western Europe.

Those highly profitable turbines, under construction in the building where ship engines were once made, have become just as crucial to the company's fortunes as the "Queens" were in their day.

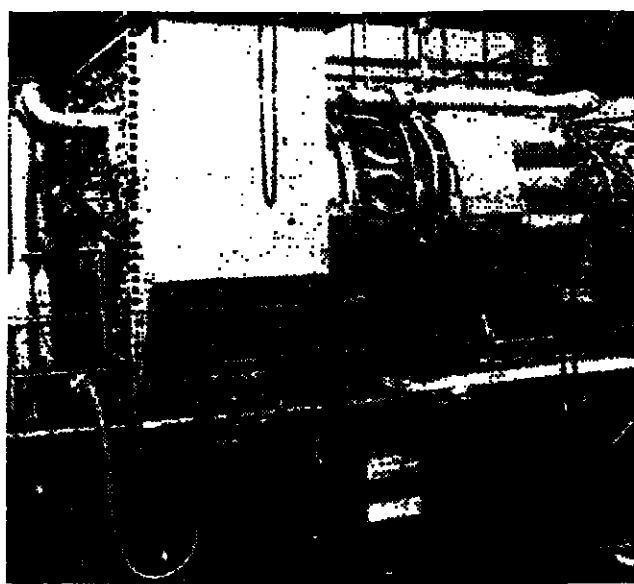
Tough Year

In the year ended March 31, 1982, the company earned the equivalent of \$24.2 million before taxes, roughly equal to pretax earnings the year before. (After-tax results were skewed by tax accounting changes in the previous year.) But the company also charged off \$15.6 million for plant closures and layoffs and paid \$9.5 million in dividends to shareholders and \$7.3 million in income taxes. All told, retained profits dropped by \$8.3 million, compared with an increase of \$26 million in the previous year.

Nor is the outlook any better. "The current year is going to be very tough," said Sir John Mayhew-Sanders, the chairman of John Brown PLC, as the holding company is now known. "Unless an unexpected and substantial economic revival starts soon," he added in a recent statement, "we shall make less profit this year than we did last."

Sir John has declined to give interviews, without explaining why. But at a recent news conference, he made clear that his company was uncomfortable in the midst of the raging political dispute surrounding the pipeline project.

"We're certainly in no position to take sides in a political argu-



A turbine being built by John Brown in Scotland.

ment," he said on Aug. 2, the day his company was ordered by the British government to deliver the turbines, despite Washington's objections to the project. "It's a very unhappy situation."

The United States wants to deny the use of U.S. technology in contracts for the Soviet pipeline. The turbines, which facilitate the flow of gas at stations along the pipeline, are designed with U.S. technology. Washington has threatened to penalize companies that disobey the sanctions. The Europeans, in turn, have delivered a formal protest against the sanctions.

The experience of John Brown, which has diversified into a broad range of engineering and industrial products, helps to illustrate why

(Continued on Page 9, Col. 1)

Wall Street Prices Continue Upswing In Hectic Trading

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange extended their record-breaking rally through a seventh session Monday as volume exceeded 100 million shares for the second time.

The Dow Jones industrial average faltered briefly at the opening, dropping 4 1/2 points in the first half hour, but then turned around to close with a gain of 21.88 points at 891.17. Advances overwhelmed declines by a 13-to-3 margin.

Investors continued to flood the market, and turnover totaled 110.3 million shares, the second highest on record. Friday's turnover of 95.89 million shares was the prior second place day.

Volume exceeded 100 million shares for the first time last Wednesday, when it reached 132.69 million shares.

The Dow average has now gained more than 114 points since Aug. 12, when it closed at its low for the year of 776.92.

"The market is on a one-way street moving up," Chester Pado of G. Tsai & Co. said.

Analysts said both the rally and the heavy trading activity were fueled by the large amounts of cash held by institutions that are now being invested in the market.

"There is an enormous pressure on portfolio managers to take funds out of the credit markets and invest them in stocks," Mr. Pado said.

John Smith of Fahnstock & Co. said Monday's prices were more significant than those last week because they reaffirmed that the rally is of a lasting nature rather than a knee-jerk reaction to interest-rate cuts.

"Today proves that demand is much greater than any selling pressure that could develop," Mr. Smith said.

The summer rally has been propelled by a sharp decline in both long- and short-term interest rates over the past month and predictions they would move even lower.

Most of the nation's major banks lowered their prime lending rate to 13 1/2 percent early in the day, continuing a move made late Friday. The Fed injected money into the banking system when federal funds rates rose to 9 percent.

Many analysts suspect the Fed's generous provision of bank reserves, which has allowed the recent interest rate declines, contain the seeds of a surge in money supply that could send interest rates higher later in the year.

Thomas Thomson, an economist with Crocker Bank, said last week: "I think we are going to see money-supply growth because of the aggressiveness with which the Fed has provided reserves to the banking system in the past few weeks. I think the Fed is concerned about the economic and financial fabric of the country and would like to maintain a fairly aggressive easing posture."

Mr. Thomson added, "However, that desire will conflict with control over the money supply, and that will place the Fed in a dilemma towards the end of the year."

Remarkable on the provision of reserves by the Fed in recent weeks, economists at Manufacturers Hanover Trust said. "During the month ending Aug. 11, these building blocks of money supply expanded at a torrid 26.5 percent seasonally adjusted annual rate," that compares with a 1 percent decline in the month ending June 30.

Bond prices also fell as traders took some profits from last week's surge. Three-month Treasury bills, which fell to a two-year low last week, rose to 7.48 percent. A basis point is one-hundredth of a percentage point.

The stocks that recorded the best gains and the highest volumes tended to be concentrated in basic industries, retailing, consumer products and transportation, all of which would be among the first to benefit from an economic recovery.

The Dow Jones transportation average, a cyclical index, jumped 13.27 points to 337.31. Wall Street generally reads the transportation average as a precursor of trends in the market.

On the NYSE floor, IBM, a widely held institutional favorite, was among the most active and gained 1 1/2 to close at 69 1/2.

Exxon attracted attention following a block of 100,000 shares at 27 1/2. It closed up 3/4 at 28. Other oil stocks showed strength even though the outlook for the industry at present is not bright.

Cities Service, which rose 12 1/2 points last week as Occidental Petroleum began a \$50-a-share offer for 49 percent of its stock, closed off 3 1/2 at 42 1/2.

"That being so, it may reasonably be assumed that disadvantaged manufacturers or customers would quickly discover the offending practices and bring them to the attention of the Department of Justice for corrective action," he added.

Once Judge Greene has given final approval, AT&T has six months to submit a detailed reorganization plan explaining exactly how it will go about shedding the 22 operating companies.

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Way Cleared for AT&T Breakup

The Associated Press

WASHINGTON — A federal judge Monday refused a Justice Department request that he bar the 22 Bell System operating companies from marketing complex telephone switchboards when they are split off from American Telephone & Telegraph.

The department had asked U.S. District Judge Harold H. Greene for such a prohibition when it and AT&T said last week that they would accept Judge Greene's conditions for approving their antitrust settlement.

Assistant Attorney General William F. Baxter, head of the Justice Department's antitrust division, asked that the operating companies be forbidden from marketing switchboards until such time as he could be assured the activity would not hurt other competitors.

But Judge Greene said in a memorandum filed Monday that the operating companies will be relatively small corporations with few opportunities for anticompetitive conduct than have been available to the Bell System.

The department and AT&T said last week they will submit papers ending the antitrust case to Judge Greene by this Thursday. He said Monday he will sign those papers as soon as they are filed.

telephone equipment business

"with a zero market share — certainly a difficult starting point from which to establish a monopoly position."

In addition, he said, because the local companies will not be permitted to manufacture the equipment, they would have to coordinate with other companies, which would make discriminatory practices riskier and less profitable.

Judge Greene also said the companies would be able to induce customers to buy from them rather than from lower-priced sellers only "if they made it known, by word or deed, that they would install and maintain their own equipment more rapidly or more efficiently than the equipment sold by others."

"That being so, it may reasonably be assumed that disadvantaged manufacturers or customers would quickly discover the offending practices and bring them to the attention of the Department of Justice for corrective action," he added.

Once Judge Greene has given final approval, AT&T has six months to submit a detailed reorganization plan explaining exactly how it will go about shedding the 22 operating companies.

British Bankruptcies

London — Personal and business failures resulting in bankruptcy rose 30 percent in Britain last year to 4,820, with estimated liabilities 162 percent higher at £189 million, the Department of Trade said Monday.

All of these Securities have been offered outside the United States.

This announcement appears as a matter of record only.

New Issue / August 19, 1982.

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Market Diaries **AMEX Stock In****Market Diaries****AMEX Stock Index**

110.31	112.89	6.91	5.73
1,352	1,384	451	427
93.15	90.52	N.A.	4.56
349	280	180	130
11.40	2.83	N.A.	0.56
297	288	185	177
1,998	1,952	816	774
237	141	35	26
9	21	15	18

AMEX Most Actives			
	Sales	Close	Ch
DomePrl	885,100	3%	+9
ite	267,000	2%	+9

	Sales	Close	Chrg
an	1,734,700	28 1/2	+ 3/4
asReeb	1,950,500	23	+ 1 1/4
Motors	1,481,400	47 1/2	+ 2
	1,545,400	47 1/2	+ 1 1/4

Jones Bond Averages		
	Close	Ch'ge
20	62.67	+0.26
100	63.68	+0.95
200	61.87	-0.23

Champion	387,500	21%	+
WongB	337,000	24%	+
Amachi	277,400	32	—
BrownForB	184,100	9	+
Heiser	120,500	12%	+
Ozark Air	113,900	4%	+
Drillers n	101,900	1	+
TubosMex	91,500	3	+
DWG Corp	81,000		

Walt	1,250,000	27 1/2	+ 1 1/2
RT & T	1,199,700	26 1/4	+ 1 3/8
Service	1,182,900	42 1/4	- 2 3/8
Corp	1,109,400	13 1/4	+ 1 1/4
by	1,070,100	27 1/2	+ 2
Int'l Mktg	923,400	13 1/4	+ 1/2
Bill Lyn	850,300	30 3/8	+ 1
rt	831,400	20 1/4	+ 3/8
Numbers	777,900	35 1/4	+ 1 1/4
reCo	776,600	25 1/2	+ 1 1/2
reSol	772,700	32 1/4	+ 2 1/4

Tables include the nationwide prices up to the closing on Wall Street.

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Interest Rate Decline and Tax Rise Boost U.S. Executives' Confidence

By Barnaby J. Feder
New York Times Service

NEW YORK — The drop in interest rates, plus the administration's victory in passing its tax package, have greatly increased business confidence that a modest recovery will take place this year and endure at least through next year's first half.

A wide variety of business executives interviewed last week after passage of the tax bill agreed on this outlook, but none said that his company had altered production or capital investment plans as a result.

"The scenario of a modest pickup is now more likely," said Lawrence Chimerine, chief economist at Chase Econometrics, a Rale Cynwyd, Pa., consulting concern, which sees real growth in the gross national product reaching 3 to 4 percent over the next 12 months. "Some of the domestic risk has been eliminated," he added.

Greenspan's Doubts "What happened is what we thought would happen," said Robert Loughridge, director of economic and strategic planning at Good-year Tire & Rubber Co. in Akron, Ohio. Mr. Loughridge and many of his peers at other industrial concerns indicated that, although the drop in interest rates had been more precipitous than anticipated, it also had been tardy.

"We are not quite as optimistic as some on Wall Street on how far down rates will come," said Mr. Loughridge. He added that the company's views on interest rates and the general state of the economy had led it to plan for a flat first half of 1982 and 2 to 3 percent growth during second half and into 1983. "The events of the last few days seem to corroborate our view," he concluded.

Alan Greenspan, who was the chief economic adviser to President Ford and is an outside adviser to President Reagan, also expressed caution on hopes for a

recovery. Last week's record 81-point jump in the Dow Jones industrial share average, he said, was more of an "aberration" than an indicator of future economic growth.

"There is no doubt that there is very little evidence of a recovery," he said Sunday on a television news program. "We can expect the economy to just creep upward in the next six to nine months, or even a year," he added.

Falling interest rates are the basic reason for the gathering confidence within the business community. High rates have hurt virtually all businesses and have pushed some to the verge of collapse. It was the priority placed on lower interest rates that led business leaders to praise the tax package, which was designed to narrow federal budget deficits, a goal that was in turn regarded as a crucial sign that the government would attempt to limit its borrowing needs in order to reduce upward pressure on rates.

"It Had to Be Done" "We don't like the increases," said Salinder Mullik, chief economist at Corning Glass Works, referring to the new taxes and loss of industrial incentives that Congress adopted to provide two-thirds of the 1983 billion in revenue gains projected for the next three years. "But given the choice between that and higher deficits and interest rates, it had to be done."

He added that he had been predicting that the economy would grow at an annual rate of more than 4 percent in the fourth quarter but that he had been forced to scale that projection back in the face of depressing economic statistics and persistent high interest rates during the spring and early summer. "Now, I have gone back to the 4-percent figure," he said.

James Jasinowski, chief economist for the National Association of Manufacturers, does not expect his forecast for growth of 2 to 3

percent in the second half to change substantially because of the tax bill. However, because the tax package passed even in an election year, he said that he believed that it signaled a government intention to adopt measures that would prevent recovery from being squelched by rising interest rates in 1983.

"That could cause interest rates to fall more sharply, boost stock prices and encourage consumer spending," he said.

Such developments are seen as prerequisites for sustained recovery. Allen Sinai, vice president and senior economist at Data Resources Inc., a Lexington, Mass., consulting firm, said that the tax bill, in combination with Federal Reserve policies easing restrictions on money growth, had increased the likelihood that growth of 3 to 4.5 percent could be achieved in the fourth quarter and improved prospects through 1984.

"I now see sustained expansion, although at uneven rates," he said. While most business executives say that the price extracted for the improved prospects was worth it, they are bothered nonetheless by some of the specific provisions in the tax act.

Electronics companies and other major exporters, for instance, will suffer cuts in cash flow from the 15-percent tax on benefits from DRSC, the government's Domestic International Sales Corp. program that defers taxes on exports, according to William Modahl of Digital Equipment Corp. He is chairman of the tax policy committee of the Computer and Business Equipment Manufacturers Association.

In many cases, however, the revenue-raising measures are repeats of benefits granted in last year's tax bill, and their loss is less painful. The repeal of accelerated depreciation measures scheduled to take effect in 1985 and 1986 concerned a lot of people," Mr. Modahl said. "But it was something we didn't have yet."



Alan Greenspan

Hoechst Says Profit Lower In First Half

Frankfurt — Hoechst said Monday that world group pre-tax profit fell by 20.5 percent in the first half of 1982 to 558 million Deutsche marks (\$225 million) despite a 4.5 percent increase in turnover to 17.9 billion DM.

It said that volume sales were up 3 percent in the period. In an interim report, Hoechst said the summer months have not yet brought any sign of a recovery from the weak levels of business in the second quarter.

Hoechst said results were hurt by weak profitability in the United States and some Latin American countries as well as by petrochemicals and plastics subsidiaries. Hoechst said it recorded higher than average turnover growth in the areas of information technology, remedies, paints and pigments, and pharmaceuticals.

The fiber business developed well in Western Europe, the company said, but the good results recorded last year in the United States could not be repeated. Plastics and organic chemicals showed no sign of recovery.

Hoechst said the improvement in turnover of its domestic business was price-related but noted that during the second quarter it was unable to pass through further price increases.

Capacity utilization during the second quarter was at 79 percent, the same level as last year.

Iceland Devalues Krona By Average of 14.3%

Reykjavik — The Icelandic krona has been devalued by an average of 14.3 percent against 18 foreign currencies, the central bank said Monday. The krona was lowered to 14.29 to the dollar from 12.43.

The move is part of an effort to reduce inflation, currently about 45 percent a year. The effort includes a bank credit squeeze, imposition of a six-month import ban on some goods and a two-year ban on the purchase of new fishing vessels.

Thyssen Wins Saudi Order

Düsseldorf — Thyssen Saudi Ltd. (Riyadh), a unit of Thyssen AG, has won an order valued at 435 million Deutsche marks (\$177 million) to build a business complex at Jeddah, a company spokesman said Monday.

Paris Commodity Futures Trading Sags

Brokers Fear Small Volume, Restrictions Could Spell End of Some Contracts

By Roger May

PARIS — French attempts to cash in on the boom in world commodity futures trading by increasing activity in markets for sugar, coffee, cocoa and soya meal are running into severe difficulties, traders here said Monday.

While trading on the Paris white refined sugar market — the only one of its kind in the world — remains substantial, activity in coffee, cocoa and soya meal is causing concern among commodity brokers and traders.

Some analysts are forecasting the collapse of the cocoa market and give the soya meal futures market, relunched with great fanfare in June, only a few more months to live.

While commodity trading on the Paris Bourse de Commerce can approach the activity of markets in London and New York remain a distant dream, the analysts said.

While commodity trade in general has been hit by falling prices and low demand stemming from economic recession, French activity remains well below that of its main rivals.

Last year turnover on the French sugar market totaled only 12 million tons compared with 135.5 million in New York and 94.4 million in London.

French coffee activity in 1981 totaled 419,000 tons, compared with 10.1 million in New York and 4.96 million in London.

Disappointing

Cocoa futures turnover was even more disappointing, reaching an insignificant 79,000 tons in Paris compared with 9 million in London and 7.01 million in New York.

The French Commodity Brokers' Association forecast that continued poor turnover in coffee and cocoa — commodities crucial to the economies of France's former West African colonies — would persuade traders to use London rather than Paris prices as their reference and to bargain in pounds rather than French francs.

Most analysts agreed that disappointing cocoa and coffee turnover could induce West African traders to deal in pounds and said the trend could accelerate if the French franc, devalued twice since

the Socialist government of President François Mitterrand came to power last year, continues to decline in value.

If the future of the French cocoa market is doubtful, the outlook for soya meal futures is positively bleak.

French trading in soya meal, a key ingredient in many animal feeds, ceased in December, 1978, when the market closed because of lack of interest.

Since then, technical adjustments to market rules to attract speculators and the French feed industry have failed. On some days, no trades at all are recorded.

Turnover on the French coffee market rose 160 percent last year over 1980 and although activity re-

mains relatively low, analysts said they do not see an immediate threat to its future.

The problems of the French markets contrast with the boom in commodity trading in other countries.

A total of 17 new futures markets have opened in New York, Chicago and London since the beginning of 1981, and markets have been established in cities such as Sydney, Hong Kong and Tokyo.

One of the main restraints on expansion here is stringent French currency exchange control, tightened by the Socialists to defend the franc, which place Paris at a disadvantage to other commodity futures centers.

Brokers' association President Michel Wiart said other handicaps affecting Paris include the reluctance of French banks to provide risk capital to potential market participants and lack of promotion of French commodity markets in West Africa.

But most analysts agreed that even if these handicaps are overcome Paris will still suffer from the reluctance of overseas investors to play the relatively unimportant French markets and from what traders and brokers see as excessive government interference in the markets' functioning.

Post-war French governments have intervened heavily in financial affairs, and traders here envy the freedom of London commodity dealers.

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Soviet Order Crucial for John Brown

(Continued from Page 7)

the Siberian gas pipeline has become so important economically to Europe, and particularly to European companies. John Brown Bros., Glasgow, Scotland, is a major supplier of heavy machinery to the Soviet Union.

John Brown's \$175-million contract in the \$10-billion project is equal to the gas turbine division's total revenues last year. And analysts estimate that profit from the project could roughly match the company's total earnings last year.

In addition, the analysts think that the Soviet contract includes an advance payment schedule that would help the company's tight cash flow.

The contract is equally important to workers in the River Clyde region of Scotland, where unemployment is above 20 percent. And it offers a measure of reassurance to workers throughout the company's British plants, where employment has fallen to 10,000 from 13,500 in March, 1980, as a consequence of the deep recession in Britain and efforts to make the company more efficient.

Gas turbines represent just one part of John Brown's business, which has spread not only into other products but also into other countries, particularly the United States, where one-third of the company's work force is now situated. The company derived 60 percent of its revenues last year from exports and foreign subsidiaries.

In the United States, John Brown has acquired in the past three years Lesona Corp., the leading U.S. plastic machinery manufacturer; Crawford & Russell, a process engineering and contracting company; and Oldson Corp., a machine tool manufacturer.

Analysts generally have approved of the acquisitions, which are intended to strengthen John Brown's place in engineering capital equipment. But they note that the purchases do little to smooth out the cyclical nature of the company's enterprises. In addition, the U.S. businesses were acquired just before the recession, which has had a serious effect on earnings.

"Rotten News" "We've had nothing but rotten news on John Brown for a year," said John McGee, an analyst with Rowe & Pitman, a securities firm.

Last year, the company made more than 80 percent of its profits in engineering and construction. But the earnings resulted in large part from an order backlog, which has not been maintained.

"New business is now very hard to come by and activity levels this year will be down," Mr. John said recently.

Nevertheless, many analysts are hopeful about the company's prospects over the longer term, in large part because John Brown has improved its corporate management.

In 1978, Sir John replaced Lord Abernethy as chairman, ending a family stewardship that began in 1906. Sir John, 50 years old, was trained as an accountant and joined the company in 1972. In 1975, he became chief executive.

The company recently brought in American managers from its newly purchased subsidiaries. For example, Robert G. Page, head of Lesona, in Warwick, R.I., has been given responsibility for all of the company's industrial products, including those made in Britain.

"It's certainly a lot better managed company than it was," said one analyst who asked not to be identified. "A lot of the right things are happening."

Citicorp Bid for S&L May Prove a Bargain

New York Times Service

WASHINGTON — Citicorp's costly bid to acquire a California savings and loan association is beginning to look more and more like a bargain, some industry analysts say.

The Federal Home Loan Bank Board approved last week of Citicorp's proposal to acquire the ailing Fidelity Savings and Loan Association of San Francisco was welcomed by analysts of bank stocks, who saw it as a significant crack in the barriers limiting interstate banking.

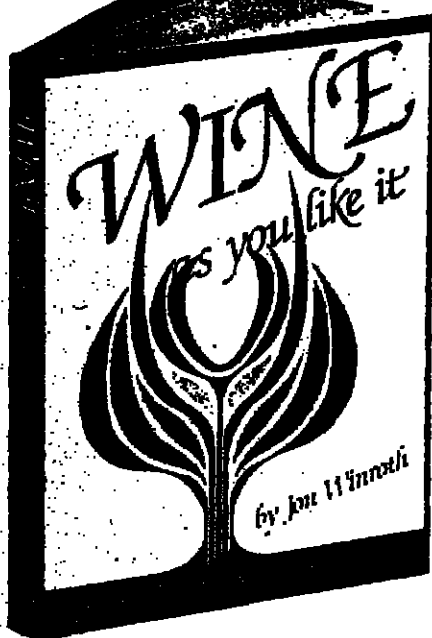
Still, the cost to Citicorp — \$143 million higher than any other bid — seemed to some analysts a bit too dear, even for a chance to break into the lucrative California retail market. Citicorp initially is paying \$80 million, and it will assume certain other costs in a complicated transaction.

Japan's Robot Output Up

Tokyo — The Japanese robot-making industry expanded 37.4 percent last year — producing 22,069 robots worth 107.8 billion yen (\$423 million) — and the trend for this year looks similar, the Japan Industrial Robot Association said Monday.

«Wine is meant to be enjoyed, not analyzed to death.»

The Herald Tribune's new book by Jon Winroth makes light of wine snobbery—but sparkles with facts



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The quotation is from Jon Winroth's new and highly professional book, in which he rejects the windy pontification so often associated with wine buying, wine tasting and wine serving.

You'll appreciate his reputation for frankness when he tells you how to handle wine stewards, puts you on guard against wine frauds. Or again when he gives you a professional's advice on how to buy wines without investing a fortune.

Witty, chatty, and often irreverent, *Wine as you like it* will help the layman develop expertise in selecting wines among both the great vintages and the lesser-knowns. It includes serving tips, maps of wine regions, vintage information—and even gives a list of Jon Winroth's favorite wine sources, the result of 15 years of pleasant research.

A great book to own or to give as a gift!

How do you deal with cargo that is a solid one day, a liquid the next, and sometimes a gas?

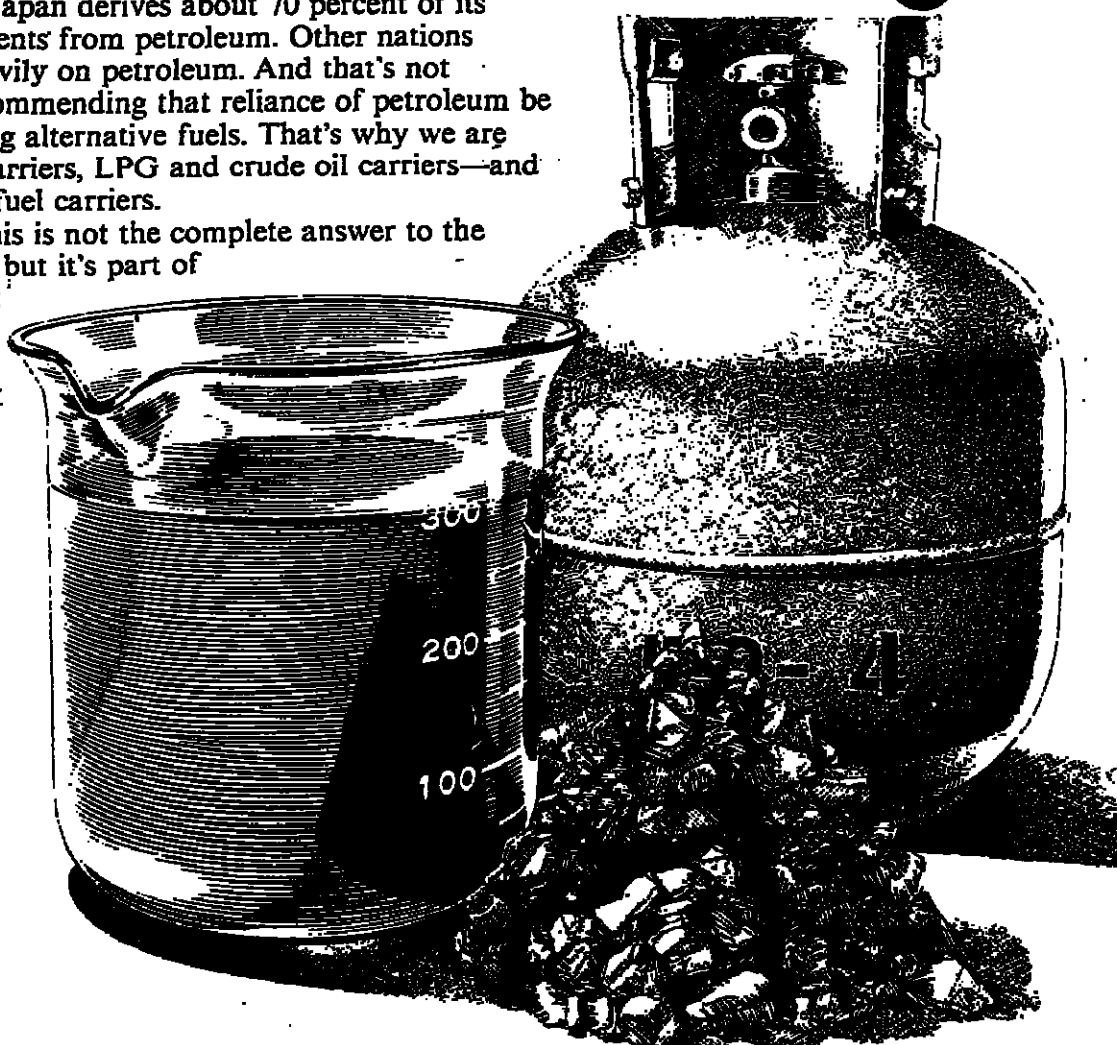
The cargo in question is energy, and it's coal from one destination. Crude oil from another. And more and more often, liquid propane gas as well.

You deal with it by building ships: Special carriers designed to carry these energy fuels in a safe, efficient manner.

NYK has these types of ships in service now. More are planned as energy needs change and newer energy sources are discovered.

At present Japan derives about 70 percent of its energy requirements from petroleum. Other nations too, rely too heavily on petroleum. And that's not good. We're recommending that reliance of petroleum be cut back by using alternative fuels. That's why we are operating coal carriers, LPG and crude oil carriers—and planning newer fuel carriers.

We know this is not the complete answer to the energy problem, but it's part of it. It may be part of yours too. So why not give us a call. Let's work together by diversifying into other sources of energy because we have the kind of ships to carry the fuels safely and efficiently.



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Tables include the nationwide prices up to the closing on Wall Street.

Stocks Features are unofficial

o—New yearly high, o—New Yearly high,
—Unless otherwise noted, rates of dividends in the foregoing table are subject to adjustments by the last security or semi-annual distribution. Special or extra dividends or payments not designated as regular are identified in the following footnotes.

o—Also extra or extra, b—Annual rate plus stock dividend,
o—Liquidating dividend, o—Declared or paid in preceding 12 months, o—Declared subject to 10% non-revivable
o—Declared or paid after stock dividend or split-up, o—Paid this year, dividend omitted, deferred or no action taken of last dividend, o—Declared or paid this year, an accumulative issue with dividends in arrears, o—New yearly high, o—Declared or paid in preceding 12 months plus stock dividend, o—Paid in stock dividend 12 months, estimated cash value on ex-dividend or ex-distribution date.

x—Ex-dividend or ex-rights, y—Ex-dividend and stock in full, z—Stocks in full.

cd—Called, wd—When distributed, w—When issued, ww—With warrants, zw—Without warrants, ads—Ex-distribution.

vi—in bankruptcy or receivable or being reorganized under the Bankruptcy Act, or securities assumed by such companies

The image shows two newspaper clippings side-by-side, separated by a large equals sign. The left clipping is from the 'Herald' and the right is from the 'Tribune'. Both report on the Iran-Iraq war. The left clipping has the headline 'U.S., Russia to Begin Negotiations' and a sub-headline 'Agreement Reached on Papal Visit to U.N. Could Mar His Latin Trip'. The right clipping has the headline 'Reagan Asks Israel for Arms Talks on June 29' and a sub-headline 'Up to 50 Reportedly Killed in Attack on 2 British Ships'. Below the headline on the right is a photo of a man in a military uniform.

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